

Purchasing Week

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\$6 A YEAR U. S. AND CANADA \$25 A YEAR FOREIGN

P.A.'s Push for Long-Term Buying Advantages

Features of Long-term Purchasing Methods at a Glance

METHOD	PRICE SOUGHT	ESCALATION CLAUSES	TIME LIMIT ON DEAL	VOLUME LIMIT ON DEAL	CLERICAL RELIEF	INVENTORY RELIEF	BEST SERVICE
"CONTRACT"	BEDROCK	SOMETIMES	YES	YES	YES	SOMETIMES	QUESTIONABLE
"BLANKET"	GOING	USUALLY	NO	YES	YES	SOMETIMES	YES
"STOCKLESS"	PREMIUM	USUALLY	SOMETIMES	YES	YES	YES	YES

Volume Prices, Less Paperwork, Reduced Inventories Are Lures

New York—Long-term buying arrangements with industrial distributors are growing in favor among the nation's P.A.'s. A special check by PURCHASING WEEK last week showed that buyers are finding they can combine the advantages of reduced inventories, less paperwork, and volume prices by one or a combination of three arrangements:

- Contract buying.
- Blanket purchasing.
- Stockless purchasing.

All three methods have overlapping features, and have their strongest appeal for MRO purchasing. But some manufacturers are considering them for production materials, as well. In a nutshell, the distinctions are these:

Contract buying specifies the amount of material to be bought over an agreed-upon time (usually one year) at a single negotiated price.

Blanket buying is similar to contract buying, but without the time-limit rider. It's used principally by both buyer and vendor as a way to consolidate purchase-order paperwork through comprehensive—as opposed to 'piece-work'—orders.

Stockless purchasing puts inventory control and all billing squarely in the distributor's hands.

Here are some of the findings of the P/W survey:

• Contract buying is gaining momentum despite the complaints of P.A.'s and distributors who have been burned by unsatisfactory attempts to make it work.

• Large defense industries in the Far West and Northeast—under renewed government pressure to slash procurement costs—are pioneering in long-term methods, and report particular success with contract buying.

• Many distributors don't like (Turn to page 40, column 1)

Aluminum Wage Boosts Take Effect; Prices Hold as Producers Eye Steel

New York—Aluminum tags remained unchanged for the most part in the face of the Aug. 1 wage increase for aluminum workers, estimated at 12¢/hr.

Alcoa, the only major producer to take any action, came out with what it called "very insignificant price adjustments in various sheet and plate products," but industry sources evaluated the move as more in the nature of a change in pricing format than as a reaction to the wage increase.

Competition from steel, say the experts, is the main reason aluminum producers can't pass on higher wage costs. Steel itself has been trying to raise prices, but has been unable to do so except for isolated specialties. Last week's \$8-\$12/ton cut in galvanized steel sheet—initiated by Central Steel and Wire—was the latest symptom of the current steel price situation that is keeping the lid on aluminum tags.

But the steel industry expects (Turn to page 4, column 4)

Steel Warehouse Sets New Policy Of 'Unit Pricing'

Boston—Hawkrider Bros. Co. has initiated a new pricing system that provides quantity discounts on a wide range of steel grades when ordered in combination. Hawkrider is a major New England metals warehouse.

Currently, steel warehouses in most areas offer quantity discounts on hot rolled carbon and some cold finished products. The Hawkrider plan permits buyers to group hot rolled bars, cold finished bars and hot rolled and cold drawn steel alloys for a single quantity discount.

The plan, called "profit unit pricing" will enable customers to cut steel costs as much as 15%, Hawkrider said. The system is based on a uniform set of extras (Turn to page 39, column 3)

GE Tube Dept. Adds Outgoing Products To Materials Management

Owensboro, Ky. — General Electric Co.'s Receiving Tube Dept. has revamped its materials management setup to place control of the entire flow of materials—from raw state to finished goods—under one man.

The new organization, called the Procurement and Distribution Section, will be headed by R. M. Duncan, who formerly held the position of plant manager. In his new capacity, Duncan (Turn to page 40, column 4)



THE SELECTRIC: IBM typewriter uses spherical element (foreground) in place of type bars.

New IBM Typewriter Eliminates Conventional Carriage and Type Bars

New York—IBM has introduced a new electric typewriter that does away with the conventional movable carriage and type bars. A small spherical device contains type characters.

The typewriter, called the Selectric, will be available in two sizes in 30 to 60 days. The model 721, priced at \$345, will take paper up to 11-in. wide, while the model 725, tagged at \$445, will accept paper up to 15½-in.

The sphere-shaped typing element, which is the key to the new design, moves from left to right as the user types on the conventional keyboard. The typewriter has no carriage. Although the principle of keeping the paper stationary and moving the typing element is new to typewriters, this approach has become standard on computers.

IBM's new design is said to be faster, offer more type flexibility and eliminate type bar "jamming." It weighs only 30 lb.

The typewriter can outpace the (Turn to page 40, column 2)

Purchasing Week's Panorama

• **New Communications Setups** are speeding action on P.A. orders. Westinghouse Electric Corp. is an example of what one company is doing to give ever faster service to its customers. It's all in the spread on pages 22 and 23.

• **Does a Description of Goods** based on 'best available information' constitute a warranty? 'The Law and You' column on page 16 takes up that question this week, along with other legal points of interest to purchasing agents.

• **Linear Programming Games** are back on the docket in P/W's 'School for Strategists.' You'll find these games somewhat different from the regular 'strategy' and 'operations research' problems. Give them a try. They're on page 8.

• **Centralized Pool Buying** for governmental units and agencies is getting more and more attention these days. P/W Consultant Joseph W. Nicholson takes up some of the aspects of this growing trend in 'Professional Perspective' on page 26.

Wanted: 'Useless' Items

New York—P.A.'s stuck with obsolete inventories or with items seemingly destined for the junk pile might find it profitable to look into the Institute of Surplus Dealers.

Exhibitors at the Institute's 16th Annual Trade Show here last week said there is a growing trend among members toward buying obsolete inventories from manufacturers caught high and dry by progress. The institute (Turn to page 39, column 1)

Purchasing Week's

Purchasing Perspective

Purchasing men trying to master the latest techniques of value analysis will soon have a new "how to" manual at their disposal. Larry Miles, General Electric's VA chief and the "father" of the value analysis movement, explains his theories in a book titled "Techniques of Value Analysis and Engineering," scheduled for publication later this month by the McGraw-Hill Book Co.

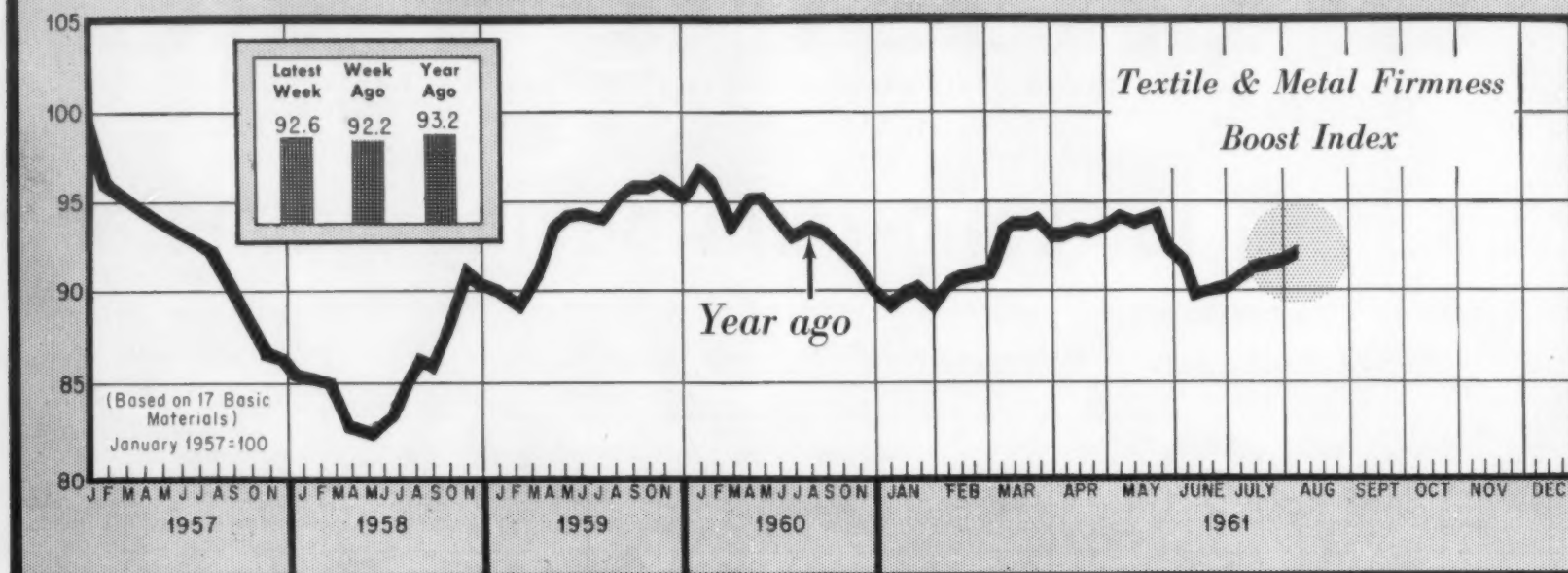
Typical Miles observations: "Value analysis is not a substitute for conventional cost reduction methods . . . but a potent and completely different procedure for accomplishing far greater results." How much of a saving can be expected? "Quite commonly 15% to 25% and very often much more," according to the author.

Miles recommends a simple three-step approach to VA—"blast, create, and refine."

The blasting stage knocks all preconceived ideas about the (Turn to page 39, column 4)

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

	Aug 2	July 26	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.98	5.98	5.975	+ .1
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Aluminum, pig, lb.....	.26	.26	.26	0
Secondary aluminum, #380 lb.....	.212	.212	.24	-11.7
Copper, electrolytic, wire bars, refinery, lb.....	.306	.306	.326	-6.1
Brass, yellow, (sheet) lb.....	.493	.493	.506	-2.6
Lead, common, N.Y., lb.....	.11	.11	.12	-8.3
Nickel, electrolytic, producers, lb.....	.813	.813	.74	+ 9.9
Tin, Straits, N.Y., lb.....	1.165	1.156	1.045	+11.5
Zinc, Prime West, East St. Louis, lb.....	.115	.115	.13	-11.5
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.20	2.20	2.30	-4.3
Fuel oil #6 or Bunker C, N.Y., barge, bbl.....	2.62	2.62	2.62	0
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.10	2.10	2.15	-2.3
Lp-Gas, Propane, Okla., tank cars, gal. (incl. discount).....	.025	.025	.035	-28.6
Gasoline, 92 oct. reg., Chicago, tank car, gal.....	.12	.12	.126	-4.8
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.108	.108	.105	+ 2.9
Kerosene, Gulf, Cargoes, gal.....	.095	.095	.09	+ 5.6
Heating oil #2, Chicago, bulk, gal.....	.088	.088	.09	-2.2
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton.....	94.50	94.50	90.50	+ 4.4
Benzene, petroleum, tanks, Houston, gal.....	.31	.31	.34	-8.8
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.....	.119	.124	.151	-21.2
Glycerine, synthetic, tanks, lb.....	.25	.25	.293	-14.7
Linseed oil, raw, in drums, carlots, lb.....	.191	.191	.163	+17.2
Phthalic anhydride, tanks, lb.....	.195	.195	.185	+ 5.4
Polyethylene resin, high pressure molding, carlots, lb.....	.275	.275	.325	-15.4
Polystyrene, crystal, carlots, lb.....	.18	.18	.215	-16.3
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	13.15	13.15	16.10	-18.3
Shellac, T.N., N.Y. lb.....	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.06	.059	.06	0
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, cwt.....	17.75	17.75	17.75	0
Bond paper, #1 sulfite, water marked, 20-lb, 16-carton lots, cwt.....	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.50	9.50	9.50	0
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.30	6.30	6.30	0
BUILDING MATERIALS				
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.20	4.20	4.18	+ .5
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	112.50	115.00	120.00	-6.2
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	124.00	124.00	135.00	-8.1
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.....	85.00	85.00	84.00	+ 1.2
Fir plywood, 1/4" AD, 4x8, dealer, crld, fob mill, msf.....	64.00	64.00	60.00	+ 6.7
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd.....	.134	.132	.118	+13.6
Cotton middling, 1", N.Y., lb.....	.350	.350	.331	+ 5.7
Printcloth, 39", 80x80, N.Y., spot, yd.....	.175	.175	.202	-13.4
Rayon twill, 40 1/2", 92x62, N.Y., yd.....	.205	.205	.225	-9.9
Cotton drill, 1.85, 59", 68x40, N.Y., yd.....	.355	.355	.395	-10.1
Wool tops, N.Y., lb.....	1.615	1.590	1.41	+14.5
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.....	.210	.210	.168	+25.0
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.292	.291	.380	-23.2

Purchasing Week's Product Perspective

NO INFLATIONARY UPSWING to accompany business revival. That's how the experts translate the latest government inventory-sales-new order figures.

What the seasonally adjusted statistics below show is that purchasing men are disregarding supplier warnings of coming price boosts and aren't being panicked into the kind of scare buying that makes these warnings come true. For the sixth month in a row now, tight inventory control has pared down the key inventory-sales ratio.

	Sales		Inventories		New Orders		Backlogs	
	June	May	June	May	June	May	June	May
All manufacturing	30.94	30.78	53.35	53.37	31.04	31.09	45.71	45.80
Durables	14.72	14.58	30.17	30.15	14.85	14.34	42.56	42.64
Nondurables	16.22	16.20	23.18	23.22	16.19	15.77	3.14	3.17

Comparisons with year-ago levels point up the trend even more dramatically. Thus, while June, 1961, sales were \$160-million higher than in the like period a year ago, inventories were down by \$1.75-billion, bringing today's inventory-sales ratio almost 4% under last year.

THE LATEST NAPA SURVEY documents the government findings. In what one of top analyst calls an "amazing resistance to inventory accumulation," 60% of the surveyed P.A.'s reported no change in inventory levels from the preceding month and 26% had trimmed them down—leaving only 14% whose stocks rose in July. What's more a breakdown of the government figures reveals that the entire inventory reduction came in purchased materials stocks rather than goods-in-process or finished goods inventories.

This careful purchasing resulted, the NAPA survey found, in 15% of the participating P.A.'s getting lower prices from their suppliers, while only 9% had to pay higher. And this happened in a month of improving business when more than twice as many P.A.'s reported gains in new orders and production as reported losses.

ANOTHER STRONG INDICATION OF PRICE STABILITY—for the next few months at least—comes from new order-backlog readings in durable goods. What they're signaling, in effect, is that demand has a long way to go before it can exert any strong pressure on prices.

The above tables show that unfilled orders for durables fell some \$80-million—despite the fact that new orders went up \$50-million. In other words, **The rising level of business is still well within the capacity of suppliers to handle it.**

About the only significant areas where supplier backlogs are starting to build up are in fabricated metal and non-electrical and industrial machinery. But these are still not high, and the summer slowdown will probably delay further increments.

EXCESS CAPACITY—That's the most important single factor keeping the tight lid on prices.

It's this unused production capacity in a wide range of basic materials—paper, rubber, chemicals, etc.—that generates today's fierce competition among vendors, and thus creates the confidence P.A.'s need to keep their inventory levels as low as they are.

Abundant capacity also is the reason suppliers are able to offer the fast delivery necessary to keep inventories at minimum. It should take several weeks before rising autumn business starts building up vendor backlogs enough to lengthen the lead time between order and delivery.

Corrugated Container Prices Hiked East of Rockies by Major Producers

New York — Several major paper companies are raising prices on corrugated containers to customers east of the Rockies by 10%-14%. Other producers appear likely to follow.

Crown Zellerbach Corp., San Francisco, and Inland Container Corp., Indianapolis, led the way. CZ said it will boost prices from 10% to 14% effective Sept. 1. Inland said it will raise prices 10% across the board on Aug. 15.

St. Regis Paper Co., quickly followed suit, saying it would raise prices "a minimum of 10%, effective Aug. 15."

Other producers termed the price hikes "encouraging." They said present prices of corrugated containers are "unrealistic" and that as a result of rising transportation and labor costs, many companies are feeling severe pressure on profits.

Industry spokesmen report sales have been picking up in recent months as the nation's economy improves. It is thought this increase may serve as a springboard for price boosts on a number of paperboard products in addition to corrugated containers.

Crown Zellerbach said that it did not foresee a similar increase for corrugated containers on the West Coast "at the present time," but it left the door wide open for future action.

Said a Crown Zellerbach

spokesman, "If we're successful in setting new prices in the East, where our major operations are centered, we hope one of the market leaders in the West will see fit to do the same thing."

In this context it should be noted that Fibreboard Paper Products Corp., San Francisco, planned to raise prices by 10% on corrugated products last Jan. 1, but had to rescind the increase when other West Coast manufacturers refused to follow suit.

This Week's Scrap Prices

	Aug. 2	July 26	Year Ago	% Yrly Change
Steel, #1 hv, divd Pitt, ton.....	36.00	36.00	30.50	+18.0
Steel, #1 hv, divd Cleve, ton.....	34.50	34.50	31.50	+9.5
Steel, #1 hv, divd Chic, ton.....	37.00	36.00	31.00	+19.4
Copper, #1 wire, dlr buy, feb NY, lb.....	.24	.24	.24	0
Copper (hv) & wire mix, dlr buy, feb NY, lb.....	.22	.22	.22	0
Brass, light, dlr buy, feb NY, lb.....	.125	.125	.110	+13.6
Brass, hv yellow mix, dlr buy, feb NY, lb.....	.145	.145	.125	+16.0
Alum (cast), mixed, dlr buy, feb NY, lb.....	.10	.10	.10	0
Alum (sheet), old clean, dlr buy, feb NY, lb.....	.095	.095	.095	0
Zinc, old, dlr buy, feb NY, lb.....	.03	.03	.04	-25.0
Lead, soft or hard, dlr buy, feb NY, lb.....	.07	.07	.083	-15.7
Rubber, mix auto tires, divd Akron, ton.....	11.00	11.00	11.50	-4.3
Rubber, synth butyl tubes, East, divd, lb.....	.065	.065	.078	-19.2
Paper, old corrug box, dlr, Chic, ton.....	16.00	16.00	18.00	-11.1
Paper, #1 mixed, dlr, NY, ton.....	3.00	3.00	1.00	+200.0
Polyethylene, clear, dlr, NY, lb.....	.05	.05	.11	-54.5

Britain Hikes Alloy Tags

London — Britain's Iron and Steel Board authorized increases in the maximum domestic price of most nickel bearing alloys and stainless steels.

Increases vary widely but average around 3%. Examples: alloy steel forging ingots (containing 1.5% nickel), from \$115.31 to \$117.74/long ton; austenitic stainless steel sheets, from \$944.55 to \$973.60/long ton.

The move followed a June 30 nickel price increase to \$1,848/long ton from \$1,680. A rise of 1% in iron and steel prices was authorized a month ago.

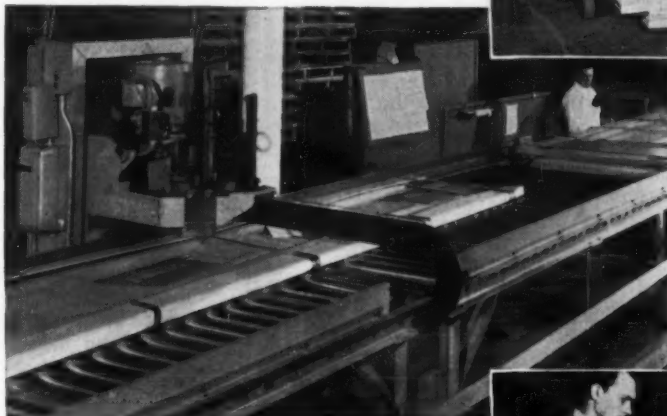
3 ways to get maximum protection with minimum packaging



ENDS

A single piece of corrugated board and steel strapping at each end of these 10-foot lengths of tubing make a neat, square package that places effective protection where it is needed, takes little material, and is easy to handle, stack, store and ship.

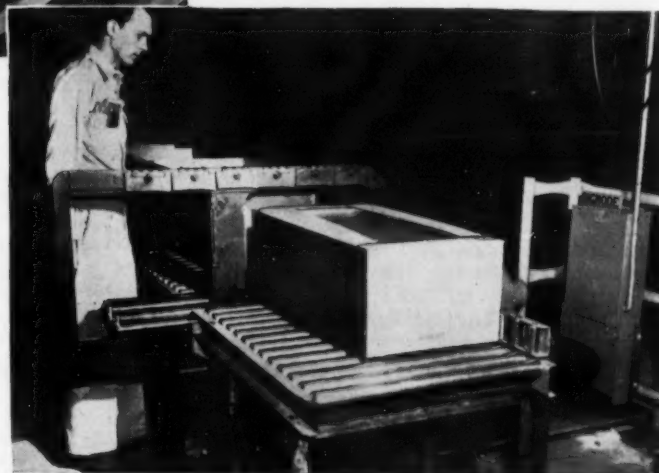
Two men, each with a Signode M2 power strapping machine, stack, cap and strap 270 packages per day, as against 130 packages per day with hand strapping tools.



EDGES

Long sheets of laminated plastic are paper wrapped, then edges are enclosed in strips of corrugated. Steel strapping is automatically applied at just the right tension to make a sturdy unit package. Savings in packaging costs are substantial, protection is practically perfect.

Operatorless strapping with a Signode M20 power strapping machine. Conveyor is powered. Strap placement is controlled by a conductive ink mark on the package.



4 SIDES

Metal shelving and components are strapped in these containers that are open top and bottom. They are typically 3' long, 1' high, and from 9" to 36" wide. The same machine straps bundles of angles or posts that are only 3" to 4" square. Production is up almost four times, package unit cost is down, protection excellent.

One man and this foot-pedal-operated power strapping machine strap over 1100 containers a day. The machine has an adjustable strap chute to assure maximum strapping speed.

■ These three ways to save suggest what is accomplished when the strength of quality steel strapping is used with skill and imagination. Write for free Minimum Packaging Idea Kit.



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U.S. to Publish Figures On Foreign Air Freight

Washington—Congress has appropriated funds for the Bureau of the Census to compile monthly and annual statistics on U. S. foreign trade shipments by air. The bureau has not compiled and published separate air cargo figures since 1947, when the program was eliminated in a budgetary cutback.

The bureau's plans for reviving the operation are based on a pilot study of foreign trade air cargo shipments during March, 1960. Summary statistics compiled from the March study can be obtained from Foreign Trade Division, Bureau of Census, Washington.

Price Changes

Lumber — Green fir lumber prices dropped \$3/1,000 board feet—putting the current quote for the key random-length 2 x 4 grade at \$61. It was the third drop over the past month, and brought the total tag reductions to \$5/1,000 board feet.

Gasoline—Prices were raised 1/4¢/gal. for all octanes of gasoline at Gulf Coast refineries as demand mounted because of possible renewal of the maritime strike. In the Mid-Continent area, two refiners raised their tags 1/2¢/gal. for 91-octane branded gasoline in an effort to end the price war sparked by competition from off-brand gasolines.

Carded cotton yarns—Spinners raised carded cotton yarn prices—primarily counts 16S through 24S—by 1¢/lb. Improved demand was behind the move.

Commerce Dept. Sees 2nd Half Spurt in Demand

Washington—Demand for key metals and industrial products should step up during the last two quarters at 1961, the Commerce Dept. said in its mid-year industrial review.

But despite the pickup, business experts see expanded capacity, plus fierce competition between materials, keeping a firm ceiling on prices.

The department said it expected all bellwether metals—steel, nickel, magnesium, and aluminum—to show significant improvement during the second half. Shipments of metal cans and glass containers may hit new peaks, the department said.

Metal can makers told Commerce that prospects of heavier crop yields plus continued gains in sales of aluminum cans and canned soft drinks might bring shipments this year above the 1959 record of 4,949,000 tons. Shipments last year were 4,818,000 tons.

Glass container makers said demand was continuing strong for bottles for food, toiletries, cosmetics, and soft drinks. Total shipments in the first five months of 1961 were up 4% from the like 1960 period, and this trend is expected to continue.

Here's the production outlook in other areas:

• **Steel ingot** production this year now is expected to reach 100-million tons, up slightly from 1960's 99.3-million. This means output in the second half would be 55-million ingot tons, up sharply from 45-million in the first half of 1961.

• **Nickel** production, which is closely allied to the steel industry, should follow the same general trend. Nickel consumption sagged badly early in the year. First quarter sales were 27% below the first quarter of 1960 but consumer inventories were sharply reduced at the same time and the outlook now is that nickel consumption for the rest of the year should bring 1961's total to about the same level as 1960.

• **Aluminum** producers look for 1961 production and sales to top 1960, the department said. A major factor in this outlook is increased shipments to the auto industry. Wider use of the metal in appliances and construction also adds to the outlook.

• **Magnesium** producers hope for increased commercial demand to bolster military magnesium hardware procurement. The

magnesium market was sluggish during the first half of 1961 (current output is at slightly less than 50% of capacity) but inventories have gone down steadily and the industry is expecting an increase in production.

• **Steam turbine** industry looks for an increasing rate of shipments to extend through 1961 and 1962, reflecting orders placed in 1959 and 1960. But they also

expect the rate of new orders will climb at a decreasing pace through 1961—a trend first noted last year. Exports of steam turbine generators amounted to about 45% of total new shipments placed during the first quarter of 1961, the Commerce Dept. said.

All projections are made on the assumption that there will be no significant worsening in the cold war situation.

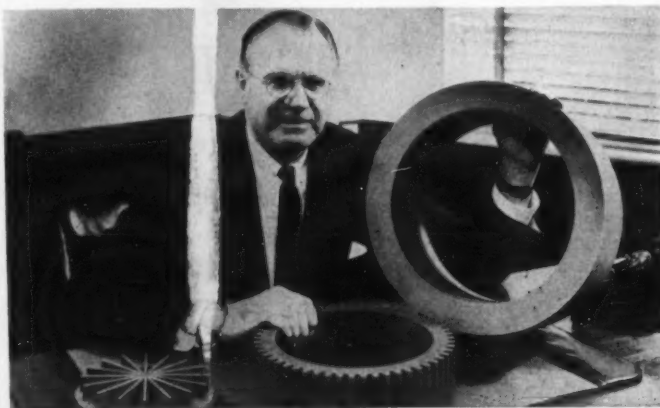
Polymer Develops New Process For Casting Large Nylon Shapes

Reading, Pa.—Polymer Corp. has developed a new process for casting large nylon shapes which it says will be competitive with metal and substantially reduce costs of fabricating the plastic.

The new process, called monomer casting (MC), converts nylon

duction line basis. Minimum mold cycles are five to six minutes, and several hours of cooling are necessary for large parts.

Basic research on MC casting was done by Monsanto Chemical Co., which has licensed Polymer to exclusive U. S. rights. The ma-



CAST NYLON: Polymer Pres. L. I. Stott exhibits gears, other shapes produced by new casting process. Pieces up to 800 lb. have been made.

directly from liquid raw material to finished shape at temperatures far below the melting point of the final part. Pressure is not needed. Liquid monomer and a catalyst are poured into a mold in a technique somewhat similar to processes used to cast metals in the foundry.

MC casting is designed to handle large parts—pieces weighing 800 lb. have been made—at a cost of from \$3 to \$5 a pound. Polymer expects to cut costs by as much as 50% eventually through improved production techniques and higher volume.

The new nylon material will be competitive with metals in a variety of applications, the company said, since it makes castings "substantially" lower in cost than identical parts in stainless steel, brass or bronze.

The new process isn't aimed as a replacement for injection molding of small parts on a pro-

duction line basis. Minimum mold cycles are five to six minutes, and several hours of cooling are necessary for large parts.

Use of a liquid monomer at 46¢/lb. instead of polymer granules (98¢/lb.) cuts over 50% off raw material costs associated with conventional nylon forming operations. Casting cost is estimated at about the same for both processes. Molds are said to be 20% to 90% cheaper with the MC process since high strength materials aren't necessary.

Stock shapes, such as tabular bar stock in lengths to 4 ft. and plate up to 4-in. thick, in 4-ft. sq. sections, are now available from Polymer. Larger shapes are in limited production, and the company will make special parts ranging up to 100 lb. on a contract basis.

Ford Grants License For Titanium Carbide

Detroit — Ford Motor Co. has licensed Vascoloy-Ramet Corp., Waukegan, Ill., to make Ford-patented titanium-carbide materials, which have found their chief application in cutting tools.

Titanium-carbide materials, which were developed by Ford Scientific Laboratory and announced in March, 1959, use a combination of nickel and molybdenum to bond the titanium carbide.

Ceramic-metal compounds using titanium carbide as a base have been investigated for a number of years, but the Ford development was the first to put these materials to use as cutting tools.

Aluminum Pay Boosts Go Into Effect; Firms Eye Possibility of Price Hike

(Continued from page 1)
its prices to start firming later in the year. And that's when aluminum men feel white metal increases also will occur.

No immediate price action from other major aluminum producers came in the wake of the wage hikes. Kaiser stated flatly that it "plans no price increase" and added that "no change is contemplated in services, freight, or credit."

Still Competitive

"Prices are still very competitive," commented a Reynolds distributor, "and it's a bad time to try price increases."

The feeling that price increases will be coming later in the year is based on industry expectations of a strong increase in demand. Right now aluminum is

going through a seasonal slowdown, but as one supplier put it, "Practically everyone in the industry expects demand to start picking up definitely by the end of August."

"Demand will have to rise 15% to 20% above the current national level before price increases start cropping up," said one East Coast mill spokesman. The present industry operating rate is estimated at about 82% of capacity.

Selective If at All

At the same time, there's a widespread feeling throughout the industry that the price increases—when and if they come—will be mostly selective.

"Steel is what's going to keep aluminum price hikes selective," said a distributor of both metals. "Government pressure will work against any across-the-board increase in steel, and aluminum will have to go along."

Hedge buying in anticipation of possible price boosts is expected to facilitate steel tag firming, according to steel service center opinion. Lending substance to this was a NAPA survey last week that showed a considerable increase in the number of P.A.'s who anticipate steel price hikes in the fourth quarter.

As far as aluminum is concerned, however, buyers don't seem to have stepped up their inventorying because of prospective price increases. A number of purchasing agents told PURCHASING WEEK they were holding aluminum stocks level or increasing them only in line with higher production requirements.

Flying Tiger Proposes New Air Freight Rates Based on Cargo Density

Washington — Flying Tiger Line has proposed a new system of rate-making for air cargo that would give greater consideration to the density of commodities. Under the new plan, goods of high density that occupy little space would enjoy a rate advantage.

The Tiger plan adopts, with some exceptions, density classifications worked out for approximately 10,000 items by the New England Motor Rate Bureau. Seven classes would be established to cover density ranges from 1 lb./cu. ft. to 20 lb. and more.

Present Rates Unaffected

The system would not substantially alter rates for commodities moving by air today. But it would establish new rates for those commodities which are seldom shipped by plane at present and put them at a level more competitive with truck rates. In addition, the plan includes weight breaks beginning at 3,000 lb.

FTL presented its new rate system at an informal meeting attended by rate experts of the Civil Aeronautics Board and representatives of other airlines. FTL merely explained its approach at this session. It has not yet filed an actual tariff and probably will not do so until October, about a month before its new CL-44 turboprop cargo planes go into common carriage service.

Only Two Lines

So far, Flying Tiger and Slick are the only airlines flying domestic routes that plan to put CL-44s into use. Because of their greater lift power, the new planes can haul bigger over-all loads.

Existing air freight rates give relatively little consideration to density, FTL pointed out. The emphasis is more on weight, distance and value of service. But FTL would make "space occupied" the most important factor in computing rates. "What we have to sell essentially is space," says a company spokesman for Flying Tiger.

Detroit Diesel Unveils Multifuel Engine Series

Detroit—Detroit Diesel Div. of General Motors has developed a series of compression-ignition engines capable of operating on any grade of gasoline, jet fuel—or any combination of the two types—without any mechanical adjustment or modification.

The new multifuel engines are modified versions of Detroit Diesel's standard series 53 and 71 commercial diesel powerplants, with a new high 23 to 1 compression ratio (compared to the normal 17.5 to 1), new piston configuration, new injection needle valve assembly, and more powerful electric fuel supply system. The engines are designed to get the maximum possible power output from whatever fuel is used.

Military Use First

Although aimed primarily at the military market, Detroit Diesel hopes commercial application of the engines will follow. However, a spokesman pointed out that industries selling power equipment to the military might be expected to be the first to use such multifuel engines. He stated that there will be little or no price differential between the multifuel engine and the standard diesel models.

Detroit Diesel engines already in service can be converted to multifuel operation, the company announced.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,818	1,858	1,520
Autos, units	75,235	102,875*	107,019
Trucks, units	23,188	23,630*	21,896
Crude runs, thous bbl, daily aver	8,397	8,284	8,290
Distillate fuel oil, thous bbl	13,214	13,423	12,834
Residual fuel oil, thous bbl	5,742	5,673	5,598
Gasoline, thous bbl	30,449	30,812	29,014
Petroleum refineries operating rate, %	84.6	83.5	84.7
Container board, tons	158,178	153,072	170,261
Boxboard, tons	93,581	90,276	98,992
Paper operating rate, %	90.4	83.6*	91.0
Lumber, thous of board ft	218,810	181,855	228,043
Bituminous coal, daily aver thous tons	1,298	1,240*	1,327
Electric power, million kilowatt hours	16,107	15,829	14,746
Eng const awards, mil \$ Eng News-Rec	458.1	399.7	561.7

* Revised

RUST

WHEN THE PROBLEM CALLS FOR PAINT THE BEST ANSWER
IS INVARIABLY **Barreled Sunlight**

ENGINEERED *Paints*
FOR A BETTER LOOKING, LONGER LASTING PAINT JOB AT LOWER COST

Rust — and ways and means of fighting it — rate special attention in any well planned preventive maintenance program. And, naturally, *paint* is a first consideration.

Before you select just "any paint" to solve this common industrial problem

however, it will pay you to talk with a Barreled Sunlight Engineered Paint representative. His thorough knowledge of the rust inhibiting qualities of various heavy duty primers and finishes — as to how, when and where to apply them — help you make important sav-

ings in this critical maintenance area. **This same man** can also help you arrive at the most economical solutions to other painting problems. Call on him now for experienced consultation and a free in-plant demonstration at no obligation.



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1268 Georgia Avenue, Providence 5, Rhode Island

I want help in selecting the right paint for a specific job in my plant.

- ☐ Please send me your "Quick Reference Painting Guide" plus your booklet, "How To Reduce Painting Costs."
☐ Please have your representative call me to arrange an appointment at no obligation.

Name.....

Title.....

Company.....

City.....Zone.....State.....

Purchasing Week

Cement Firms Eye Price Hike as Wages Rise

New York—Cement producers are taking a sharp look at their cost structures and the feasibility of price increases in the wake of new labor contracts with the Cement Workers Union.

Marquette Cement Mfg. Co. announced immediately after signing the two-year pacts that it was giving "serious consideration" to a price boost on some products. But other producers, while agreeing with Marquette President W. A. Wecker that the need for higher prices was "compelling," cited the difficulty of boosting tags in a market burdened with overcapacity and foreign competition.

Priest Frazier, vice president of sales for Lone Star Cement Corp., New York City, said, "We have not even approached the problem of raising prices yet. Overcapacity is the main deterrent to a price rise, but the competitive effect of imported cement, which sells from 5% to 35% less than the domestic product, also is a factor."

Paul Dickinson, treasurer of Great Falls (N.Y.) Cement Co., also said, "It would be rather difficult to put through an increase now. Rather than talking about a price boost, many mills in the East are considering temporary shut-downs in an attempt to cure the over capacity situation."

'Wishful Thinking'

On the other side of the counter, a spokesman for one of the largest building materials companies in the nation said, "I think higher prices are a bit of wishful thinking on Marquette's part so far as the Chicago area is concerned. Supply certainly exceeds demand here, and more sources of supply are coming in. The price tendency recently has been down, not up."

He pointed out that several new cement distribution plants had been opened in the Chicago area. In addition, he said, Huron Cement, which has a large plant in Michigan, plans to open a distribution facility in Waukegan, Ill., which will only increase competition in the Chicago area.

Much the same situation also exists in other sections of the

country, including the Northeast, where Marquette itself has claimed that a new cement mill to be built in Ravena, N.Y., will cause a glut on the market in that area, and lead to "severely reduced prices."

Marquette said the 10-million bbl./yr. mill will raise area capacity 15%. Cerro Corp. and Newmont Mining Corp., which are building the plant, contend total capacity will be raised only 10% and that the increase will be needed to take care of projected demands.

In calling for higher prices, Marquette President Wecker said they must be raised "sooner or later" to reflect "added costs arising from speedier delivery service and from wage and salary increases not offset by improved operating efficiency."

The cement industry now is in the process of signing new labor contracts with the 27,000-member United Cement, Lime & Gypsum Workers Union. The contracts in most cases call for a 24¢/hr. package increase over the next two years.

Western Teamster Talks Extended As Rebel Union Group Defies Hoffa

San Francisco — A master freight agreement, covering approximately 100,000 teamsters in 11 Western states, has been extended to Aug. 8 as negotiations continue between management and a teamster group led by President James Hoffa.

The original contract expired last June 30, and already had been extended. The union is seeking a package totaling 38¢/hr., plus additional holidays, vacation time, and pensions.

The talks are being hampered by a threatened strike of 15,000 teamsters in 10 bay area locals which defied Hoffa and began bargaining separately.

Should a strike occur, it would tie up truck transportation in 13 northern California counties and stall the 11 state negotiations indefinitely, for Hoffa is not likely to make formal wage demands for the 11 Western states until the San Francisco area teamsters' status is clear.

How METALOGICS* takes the P.A. off the high-cost hot seat!

The following case histories are typical of how Ryerson Metalogics helps hundreds of companies save money, improve products, and cut production waste.

Metalogics-trained Ryerson specialists help you value-analyze cost-soaring production problems—and they back up their suggestions with unbiased recommendations on exactly the right steel, aluminum or plastic to do each job best for less.

Little wonder, then, that more and more companies across the country find the high-cost hot seat a little cooler after inviting a Ryerson man to value-analyze specific problems, and come up with recommendations. Give him a call—perhaps he can help answer some of your high-cost questions.

*METALOGICS—the Ryerson science of giving optimum value for every purchasing dollar.

PRODUCTION COSTS REDUCED 40%

Company was making chrome-plated table legs as a 3-piece weldment and having problems in holding concentricity and making proper preparation for the mirror finish. In addition, production costs were high.

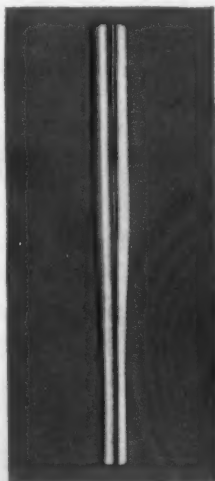
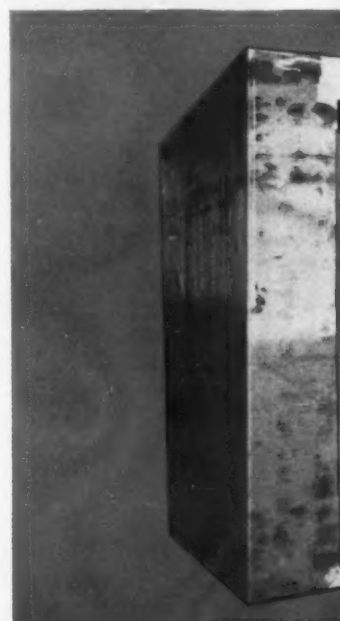
Ryerson recommended this Metalogical

solution: make the legs from one piece of 3" O.D. soft-annealed, cold rolled, electric-welded tubing—half the length tapered to 2" O.D., holding concentricity to 1/32". Results: surface was just right for chrome plating, and production cost reduced.

THREAD GALLING ELIMINATED

Manufacturer made this special coupling of aluminum to gain the advantages of light weight, corrosion resistance and easy machining. But a problem developed due to galling of threads.

Following the recommendation of a Ryerson Metalogics specialist, the company hard-coated the parts by special low-temperature anodizing which produced a surface hardness of Rockwell 70 C. Galling was eliminated, and corrosion resistance increased. One more example of top technical help from Ryerson.



Helio Aircraft Starts Up Long-Term Leasing Plan For 5-Passenger Planes

Norwood, Mass.—Helio Aircraft Corp. has worked out a long-term leasing plan for its five-passenger business plane, the Super Courier.

Leasing arrangements for the plane, which costs about \$36,000, will be handled by American Industrial Leasing Co., New York. Daniel Cavanagh, president of American Industrial, said leases will cover three, four, or five-year periods, with a renewal option available on completion. He said an initial down payment equivalent to three, four or five-month fees will be required, depending on the length of the lease.

The Super Courier is a STOL (Short Take-Off and Landing) aircraft, which needs only a 70 yd. runway. It has a range of 800 miles and a cruising speed of 170 mph.

Purchasing Week's Washington Perspective

Britain's plan to join the European Common Market is causing some concern among U.S. economic planners. They fear London will obtain special protection for agricultural products and raw materials of Commonwealth nations, putting competing items from the U.S. and other outside countries at a disadvantage. The larger the common market, the more self-sufficient it becomes. For this reason, Washington is watching negotiations very closely.

Another concern is caused by the fact that Britain's tariffs on industrial imports generally are higher than those of the six common market countries. The U.S. will be forced to bargain hard to hold the common tariff to present levels minus the 20% across-the-board reduction promised by the common market in return for reciprocal treatment. Otherwise, Washington is

pleased by Britain's move. Any tightening of economic or political ties in the West aids the fight against communism.

The Administration is working on a plan to insure underdeveloped, primary-producing countries against extreme swings in export earnings. It probably will be unveiled at a forthcoming meeting of the inter-American economic conference. It would work like this:

A special fund would be created through contributions from both advanced and underdeveloped countries. If export earnings of underdeveloped nations fell below a five-year average, they would get the difference from the fund. If earnings exceeded the average, they would pay part of the excess into the fund. Thus, the fund would be self-financing after initial capitalization. Latin American governments want the plan limited to their area at the outset.

The U.S. textile industry says imports are impairing the

national security. This is the gist of a 200-page brief filed with the Office of Civil and Defense Mobilization, which is studying import problems as they relate to national security. Unless imports are checked, says the industry, "the availability of a viable textile and apparel industry capable of meeting minimum military and essential civilian needs in emergencies will be irreparably damaged." ODCM has given interested parties until Aug. 31 to submit statements.

Development of air cargo should be accorded top priority in international route negotiations. So says Sen. A. S. Mike Monroney (D.-Okla.), chairman of the Senate Aviation Subcommittee, in a letter to the State Dept., Civil Aeronautics Board, and Federal Aviation Agency. President Kennedy has ordered a review of U.S. international air transportation policy.

Too much emphasis has been placed in the past on passenger route agreements, says Monroney, while "air cargo will ultimately displace passengers as the principal source of airline revenue." He adds that "our international passenger agreements are enough of a mess without duplicating the confusion in the cargo field in the face of an opportunity to create a rational system."

The recovery in manufacturers' sales continued through June, reports the Commerce Dept. Its Office of Business Economics says such sales increased nearly 1% from May to June. A major part of the rise was concentrated in the motor vehicle and industrial machinery industries. Factory stocks remained unchanged through June.

Four Midwestern Utilities File Triple Damage Suits Against Equipment Firms

Chicago—Four Midwest electric utilities have filed suit for treble damages against 19 electrical equipment manufacturers convicted earlier this year of price fixing.

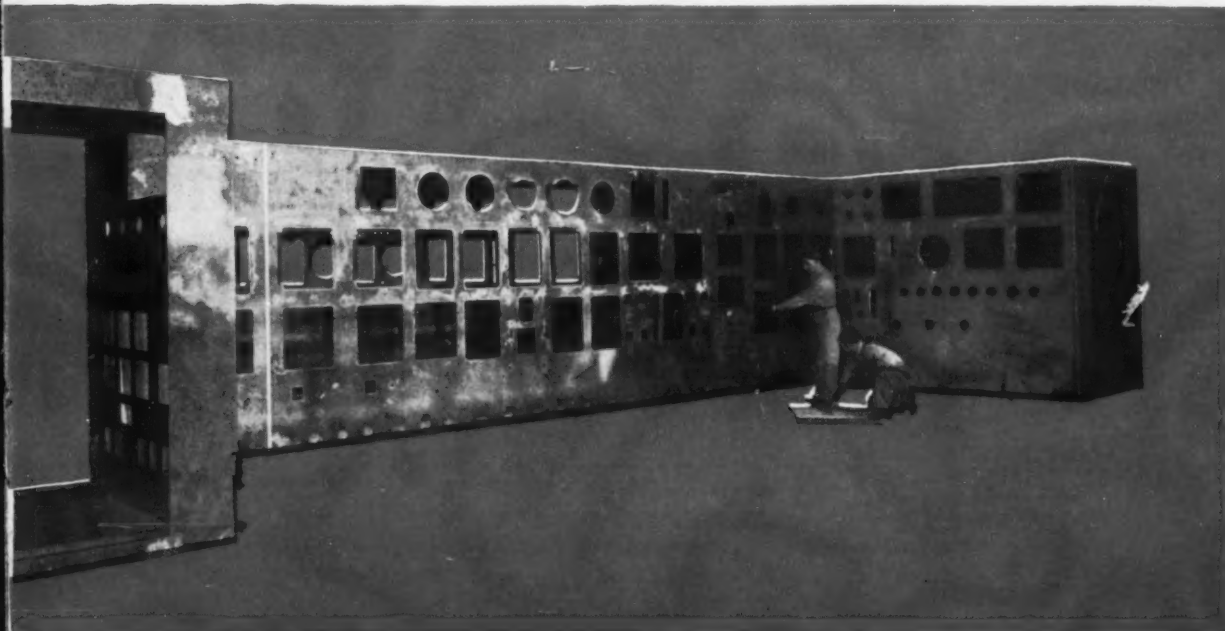
Consolidated suits covering nine items were filed by Commonwealth Edison Co., Chicago; Central Illinois Electric and Gas Co., Rockford, Ill.; Northern Indiana Public Service Co., Hammond, Ind.; and Public Service Co. of Indiana, Inc., Plainsfield, Ind.

The suits alleged that the items, purchased by one or more of the utilities during periods covered by Federal indictments, were sold at higher prices than would have prevailed had there been no conspiracy.

Shell International Plans New Netherlands Facility

London — Shell International Chemical Co., Ltd., is building a \$5.6-million facility for producing synthetic organic acids at its chemical refinery complex in Pernis, near Rotterdam. Schedule calls for the new facility to go into commercial production in January.

Shell said the new acids, to be marketed under the name "Versatic," will have important applications in surface coatings, plastics, rubber, and metallurgy.

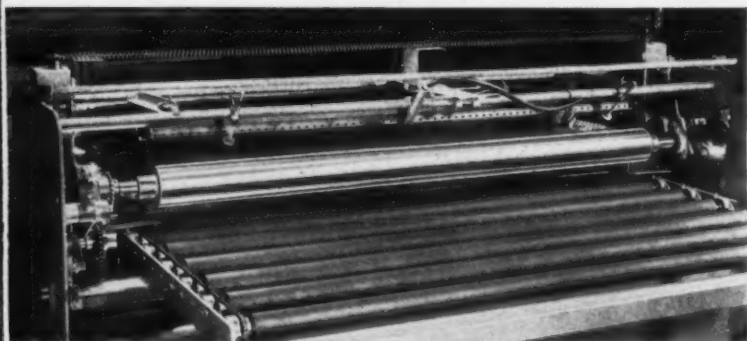


150 OPENINGS BURNED IN HUGE CONTROL PANEL ASSEMBLY

Expert Ryerson flame-cutters burned more than 150 openings in the steel plates that make up this huge control panel assembly.

Each opening had to be located and cut with extreme accuracy to permit proper installation of the complex

instrument system. Distortion had to be carefully controlled and a high degree of flatness maintained so that the plates would have a good appearance when painted. All such requirements were readily met by Metallogically-oriented Ryerson service.



SWITCH TO LEDLOY® STOPS TEARING...CUTS REJECTS

Manufacturer of roller coaters was having trouble machining C-1018 bar stock to produce a close-tolerance roll. Three-step machining was required at both ends of the bar, and tearing was frequent with up to five stops per cut to regrind the tool.

After studying the problem carefully, their Ryerson specialist recommended a change to Ledloy 300. Results from this fast-machining leaded steel: higher produc-

tion; longer tool life; rejects cut to a minimum.

Other steels for this coater, including angles, expanded metal, and cut-to-size side plates, are also supplied by Ryerson.

As the happy P. A. puts it, "Time and time again Metalogics takes me off the spot. It gives me technical help, plus convenient, dependable, single-source service on all my requirements."



One end of close-tolerance roll.
Note 3-step machining of bar.

RYERSON METALLOGICS

JOSEPH T. RYERSON & SON, INC., MEMBER OF THE STEEL FAMILY

STEEL · ALUMINUM · PLASTICS · METALWORKING MACHINERY

School for Strategists

In this session of "School for Strategists," we again take up a new type of game, based on linear programming. Usually you had:

- "Strategy" games in which you tried to beat an equally well-informed opponent in a battle of wits, and

- "Operations research" games in which you tried to convert a messy situation into a logical, orderly procedure.

In these "linear programming" games (devised by P/W Consultant John W. Owen, Jr.) you must **line up a set of facts, objects, prices, or people in an arrangement that produces the most satisfactory results.** It's this "lining up" aspect of the games that gives them the name "linear."

An example will show you what's involved—and how to win:

Sample Situation

Suppose you had to assign two department heads—Jones and Smith—to two territories—New York and New Jersey. If Jones goes to New York, costs in that area will be \$20,000; if Smith gets the assignment, costs rise there to \$25,000. If Jones goes to New Jersey, costs in that territory will be \$12,000; if Smith goes to New Jersey, costs will rise to \$15,000.

How shall we line up Jones and Smith so as to minimize costs?

We can tabulate the situation thus:

	N.Y.	N.J.
Jones	\$20,000	\$12,000
Smith	\$25,000	\$15,000

Obviously, one plan will cost us \$35,000, and one \$37,000; so we pick the one shown by the connecting line (←→).

But not all decisions of this type can be made so easily. Suppose we add two more territories to the problem—New England and Pennsylvania, currently manned by O'Hara and Peters. Now how do we arrive at the best lineup?

First we'll expand our tabulation to take care of the extra men and costs (the figures are in thousands of dollars):

	N.Y.	N.J.	N.E.	Pa.
Jones	\$20*	\$12	\$22	\$28
Smith	25	15*	14	21
Peters	30	28	31	24*
O'Hara	35	29	30*	25

(*Indicates current assignment)

Here's how you go about solving the situation:

STEP NO. 1. In each horizontal row of the above table, subtract the lowest entry from all the entries in that row. (Thus in the top row, you subtract 12 from 20, 12, 22, and 28). Your new table now looks like this:

	N.Y.	N.J.	N.E.	Pa.
Jones	8	0	10	16
Smith	11	1	0	7
Peters	6	4	7	0
O'Hara	10	4	5	0

STEP NO. 2. In each vertical column of this new table, subtract the lowest entry from all other entries in that column. (Thus in the first column, you subtract 6 from 8, 11, 6, and 10; any column containing 0 remains as is—for the obvious reason that when you subtract nothing, nothing is changed.) Here's what you get:

	N.Y.	N.J.	N.E.	Pa.
Jones	2	0*	10	16
Smith	5	1	0*	7
Peters	0*	4	7	0
O'Hara	4	4	5	0*

STEP NO. 3: The best lineup you can make—hence the solution to your situation—is to place each salesman in the zero spot (shown by an asterisk). That's where he will incur the lowest costs.

In short, Jones goes to New Jersey; Smith to New England; Peters to New York; and O'Hara to Pennsylvania.

You can check this solution as follows:

- In the original assignment, Jones was in New York @ \$20,000; Smith in New Jersey @ \$15,000; Peters in Pennsylvania @ \$24,000; and O'Hara in New England @ \$30,000. Total: \$89,000.

- Under the new arrangement, Jones is in New Jersey @ \$12,000; Smith is in New England @ \$14,000; Peters is in New York @ \$30,000; and O'Hara is in Pennsylvania @ \$25,000. Total: \$81,000—or a saving of \$8,000.

Now for some problems for you to work out:

Problem I—Contract Assignment

An Army procurement officer has four contracts to assign among four companies. Each company has sufficient capacity to fulfill any of the contracts, but can only work on one at a time. In addition the cost factor is different for each company and each contract.

The officer has to meet an early shipment deadline, and so must assign one contract to each company.

Here are what he estimates as the costs for each firm:

	No. 1	No. 2	No. 3	No. 4
Appleby Company	25	30	26	24
Brewster Mfg.	24	29	25	22
Cord Mchny.	28	29	27	27
Delta Products	26	25	27	25

Numbers in the tabulation represent the cost (in thousands of dollars) of having the company on the left make the shipment of this type of item. For example, it would cost the Army \$27,000 if the Cord Machinery Works fill Order No. 4.

How can the government minimize the total cost for the four items?

(Answer on Page 28)

Problem II—Men and Machines

The Acme Job Shop wants to distribute its men and one milling machine among three large projects now in production so as to complete the projects as soon as possible. Acme has one crew of skilled workers, one of unskilled workers, and one milling machine to assign.

The following table shows the number of days it will take to complete each job if the unit on the left is assigned to it.

	Job 1	Job 2	Job 3
Skilled Workers	33	34	35
Unskilled Workers	36	37	39
Machine	34	36	37

How can Acme minimize the number of production days needed to finish the three jobs?

(Answer on Page 28)

Meetings You May Want to Attend

First Listing

16th National Conference of The Association for Computing Machinery, Statler Hilton Hotel, San Francisco, Sept. 5-8.

2nd Annual Cargo Handling Exposition—Pier 9, New York City, Sept. 6-8.

International Industrial Conference—San Francisco, Sept. 11-15.

Miami Valley Industrial Show—Purchasing Agents Assn. of Dayton, Montgomery County Fairgrounds, Dayton, Ohio, Sept. 14-16.

NAPA, District 6—Purchasing Conference, Sheraton-Pittsburgh Hotel, Pittsburgh, Sept. 15-16.

National Industrial Conference Board—9th Annual Marketing Conference, Waldorf Astoria Hotel, New York City, Sept. 20-22.

Trade Fair—State of North Carolina, Charlotte Coliseum-Merchandise Mart, Charlotte, Oct. 12-21.

4th Annual Petroleum Industry Purchasing Management Seminar—Purchasing Agents Assn. of Tulsa, Western Hills Lodge, Lake Gibson, Tulsa, Okla., Oct. 18-20.

NAPA, District 9—Purchasing Conference, Hotel Bradford, Boston, Mass., Oct. 24-25.

48th National Foreign Trade Convention—Waldorf Astoria Hotel, N. Y. City, Oct. 30-Nov. 1.

Previously Listed

AUGUST

Eastern Hardwares Show—New York Coliseum, Aug. 7-10.

Maine Products Show—Augusta State Armory, Aug. 23-25.

SEPTEMBER

1961 New Product Exhibit and Conference—Los Angeles Chamber of Commerce, Ambassador Hotel, Los Angeles, Sept. 7-8.

Industrial Distribution Conference—Statler Hilton Hotel, Cleveland, Sept. 11-12.

Southeastern Show—Plant Maintenance and Engineering, War Memorial Coliseum, Greensboro, N. C., Sept. 12-14.

Standards Engineers Society—10th An-

nual Meeting, Hotel Sherman, Chicago, Sept. 18-20.

NAPA, District 1—14th Pacific Inter-mountain Purchasing Agents Conference, Westward Ho Hotel, Phoenix, Sept. 29-30.

OCTOBER

NAPA, District 2—15th Annual Southwest Purchasing Conference, Statler Hilton Hotel, Dallas, Oct. 5-6.

First Annual Western Building Industries Exposition—Great Western Exhibit Center, Los Angeles, Oct. 7-10.

National Institute of Governmental Purchasing (NIPG)—16th Annual Conference and Product Exhibit, Hotel Commodore, New York City, Oct. 8-11.

P.A. Groups Elect

Insurance & Bank Assn.

Sturbridge, Mass.—Russell E. Erickson, purchasing agent for the State Mutual Life Assurance Co. of America, has been elected president of the Insurance Co. & Bank Purchasing Agents Assn.

Other newly elected officers are: E. P. Leddy, Hartford Steam Boiler Inspection & Insurance Co., vice president; C. A. Kendall, Massachusetts Mutual Life Insurance Co., secretary; Allen H. Hermance, Second Bank-State Street Trust Co., treasurer.

Central Iowa

Des Moines, Iowa—D. E. Balvin, Lennox Industries, Inc., heads the slate of Central Iowa Purchasing Agents Assn. officers for the 1961-62 term.

Other officers include: W. F. Langefeld, Maytag Co., 1st vice president; George M. Mosher, Drake University, 2nd vice president; Carl Davis, Globe Machinery & Supply Co., secretary; Warren Gerstenkorn, Eagle Iron Works, treasurer.

Dayton

Dayton, Ohio—Harold F. Barnes, McCall Corp., was installed as president of the Purchasing Agents Assn. of Dayton. Serving with him are: Thomas E. Charlton, Morris Bean & Co. 1st vice president; Paul E. Jones, Duriron Co., Inc., 2nd vice president; Theodore L. Guenther, Graybar Electric Co., Inc., secretary; Daniel F. Shively, Allied Supply Co., Inc., treasurer.

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Management Memos

The Trouble With Salesmen

A. O. Smith Corp. recently asked its purchasing staff to compile a list of salesman types who never would be missed. The idea was to provide the company's own salesmen with a mirror in which they could view their own reflections. Heading the list, the survey found, is the salesman who doesn't know much about his own products and is just as ignorant about what his competition is selling.

Other types who made the list:

- **The timewaster.** This type includes the salesman who goes in for small talk, who talks too much, or who calls too often.

- **The quick sale artist.** This is the guy who's long on promises, short on follow through. He seldom comes up with any of the agreed upon services, and almost never concerns himself with such trivia as the progress of an order or the delivery date.

- **The charm boy.** This salesman acts as though he were in a personality contest. And if charm doesn't turn the trick, he's always ready to clinch the big sale with an expensive lunch.

- **The "sympathetic" type.** This is the pseudo-serious fellow who makes an elaborate pretense of understanding the customer's problems, but who never seriously attempts to get beneath the surface. Although he would have the P.A. believe he's always on his side, he's blissfully ignorant about most purchasing matters, such as value analysis, EOQ, and the like.

Traffic Guide

Purchasing men who double in brass as traffic managers for small firms will find a number of useful pointers in a booklet titled "The Transportation Function in Small Business" (Management Research Summary No. 16).

Put out by the Small Business Administration, the publication covers such matters as transportation costs, auditing of freight bills, the pros and cons of private trucking, shippers'

associations and freight forwarders, and the various functions of traffic consultants and managers. Free copies are available from SBA, Washington 25, D. C. or from any SBA field office.

The Seven Deadly Sins

The good executive is one who can recognize personality defects in his subordinates and do something about them before it is too late, says Frank Nunlist, vice president-operations, Worthington Corp.

Writing in *Sales Management* magazine, Nunlist lists seven common failings managers are guilty of that can work havoc in a company if they are overlooked:

- **Confusion.** This weakness manifests itself in a variety of ways—in confusion over what is wanted, who is responsible, and how to do a job.

- **Procrastination.** This shows up most frequently as a failure to take considered risks, a delay in developing new products, and in the destruction of timely communication.

- **Abdication.** The indecisive manager who avoids unpleasant decisions by passing the buck to one of his colleagues is guilty of this one.

- **Gluttony.** This is the empire building syndrome, which drives a manager to hire more people than he needs or to take on more programs than he can handle.

- **Senility.** This failing manifests itself in managers who cling to the old way of doing things.

- **Complacency.** This shows up in managers who are willing to "just get by." These men smother imagination and initiative, because it stirs up too much trouble.

- **Myopia.** Looking for the short-term result, without bothering about the long-term implications is a typical myopic symptom, according to Nunlist.

Short Pointer

In the years since World War II, the Japanese have eagerly embraced a variety of American customs, but none with more gusto than the chewing gum habit. According to latest reports, sales of chewing gum have soared some 2,000% in the last four years. Now, one Japanese company, in a crowning effort to win over the dwindling band of diehards, has introduced a chewing gum flavored with sour pickled plum, a native delicacy. Not to be outdone, another maker has come up with a new brand called "Pink Lady," which is packed in a lipstick case.

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WHAT VALUE ANALYSIS CAN DO FOR YOU



BEFORE ANALYSIS: Sling assembly was put together from 18 parts, including four rivets and three mounting brackets.



AFTER ANALYSIS: Eleven parts did the job in the redesigned assembly. Three rivets and all mounting brackets were eliminated.

Source: Hesse-Eastern Div., Flightex Fabrics, Inc., Everett, Mass.

TECHNIQUE: Eliminate non-functional parts.

SAVINGS: Part cost cut 21¢.

Purchasing Week Asks

What techniques do you find most effective in negotiating prices?



W. D. Follette, purchasing agent, John Bean Eastern Div., Food Machinery & Chemical Corp., Lansing, Mich.:

"We have found this method effective: Engineering and purchasing personnel, meeting with the supplier's sales engineer, review the item in detail to establish end use, material specifications, quality standards, inspection procedures, quantities, and delivery schedules. We solicit supplier's suggestions on cost reduction, and these are appraised by engineering, and/or sales. We also review the supplier's manufacturing operation for possible cost reduction."



I. W. Tuttle, director of purchases, Ludlow Papers, division of Ludlow Corp., Needham Heights, Mass.:

"It's a purchasing truism that you should know as much as you can about the negotiating situation you are going into. Not only should you be informed as much as possible on the item being purchased, market prices, suppliers, availability, and traffic costs but you should know its end use thoroughly. Measuring this information against your needs will provide an idea of your bargaining position and you can take it from there."



W. H. Hedeman, purchasing agent, Bendix Radio Div., Bendix Corp., Baltimore, Md.:

"All negotiations must be conducted with honesty and integrity. A thorough knowledge of the part and product in which it is being used is necessary. This should include the base material, manufacturing process, test requirements, and expected reliability of the part, as well as an intimate understanding of the vendor's management policies and operating procedures. The longevity and sales potential anticipated for the end product should be outlined too."



W. B. Harris, Jr., purchasing agent, United Salt Corp., Houston:

"Our firm follows a procedure closely allied to purchasing on a bid basis when buying on a negotiated price contract. The first—and we feel the most important—step is the preparation of a complete set of specifications. We then invite representatives of suppliers capable of filling the contract to call on us to discuss and quote on our requirements."



W. J. Heubach, assistant-director of purchases, Union Bag-Camp Paper Corp., New York:

"The ability to analyze and discuss materials, market conditions, and cost factors is important. By utilizing this information, along with the assistance of technical or engineering personnel from our own organization, we can take a team approach to the sales representative. Seller and buyer must realize that each must obtain a fair price and each must always be a free agent. Using this approach an effective relationship can be developed."

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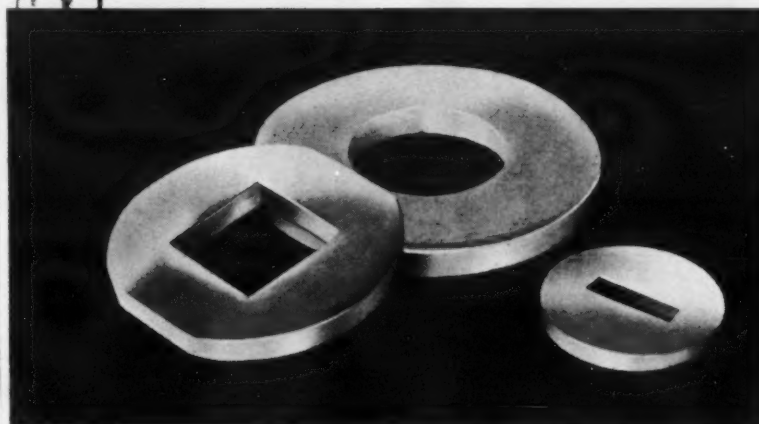
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SKY HOOKS: Helicopter is used to swing aluminum crossarm assemblies into place on electrical transmission structure near Wenatchee, Wash. 'Sky hook' technique enables six-man line crew to 'frame' 103 towers in three days, using lightweight Alcoa assemblies weighing 350 lb. apiece, compared to 1,150 lb. weight for comparable wood crossarms.

ICC Reverses Field on Piggyback, Sea-Land Rates

Washington — The ICC reversed its requirement that rail piggyback rates along the Atlantic and Gulf Coasts be held 6% higher than those of coastwise water carriers.

In a 6-5 decision, the commission approved the reduction of piggyback rates on books moving between Camden, N. J., and Dallas, Tex., to a level equaling the rates of Sea-Land Service, Inc., a combined motor-water carrier.

While removing the differential for only one commodity, the de-

cision gave evidence that in the future ICC will expect water carriers to provide cost data on their operations in an attempt to show that competing rail rates are destructive. Sea-Land did not present such data in the book rate case.

The commission acknowledged that in a previous decision it required that water-rail and water-truck rates be established differentially lower than those of all-rail carriers. The purpose was to offset such limitations of water carriage as slower transit time,

infrequent sailings, and weather delays.

But in the new ruling, the commission held, "there is a limit beyond which the coastwise carriers cannot be expected to attract traffic from interior points at economical rates in competition with substantially more direct routes or modes."

The decision did not spell out this limit, but indicated it would take into account both geographical factors and the relative costs of the transportation services involved.

Udall Predicts Doubling Of Soviet Oil Exports Within Next Five Years

White Sulphur Springs, W. Va. — Secy. of Interior Stewart L. Udall forecast a doubling of Soviet oil exports in the next five years and warned of the danger of accepting "bargain counter" prices on these exports.

"Obviously Russian oil is cheap only when it is in the interest of the Soviet government to have it so," he said at the Eastern District meeting of the American Petroleum Production Division. "The terms of trade can shift rapidly and arbitrarily, and before any nation predicates even a portion of its industrial growth on a continuation of this trade, it should consider most carefully the implications of the resultant dependency."

The Secretary called for closer cooperation between the domestic petroleum industry and the federal government in coping with the Soviet oil issue and other problems with which his department is concerned.

Communications between the industry and government in the field of mobilization planning "have become clogged in recent years," he said. "Discussions are taking place within the Executive Branch at this moment, to develop procedures which will permit the complete utilization" of oil industry know-how.

Ekco-Alcoa Containers Buys Alcoa Subsidiary

Wheeling, Ill. — Ekco-Alcoa Containers, Inc., has acquired the unit container business of Alcoa Unit Container Co., a joint subsidiary of Aluminum Co. of America and United Shoe Machinery Corp. Ekco-Alcoa is owned jointly by Alcoa and Ekco Products Co.

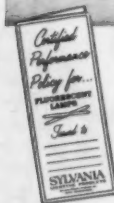
An Ekco-Alcoa spokesman said the acquisition establishes the company as the first in the U.S. with "fully integrated" facilities for producing aluminum foil, unit containers, covers and in-plant machinery used by food processors.

Although the company previously had manufactured containers and closure machinery, it did not have an integrated, automatic machine for forming, filling and hermetically sealing the unit or single-portion containers. "The acquisition adds this final link to our operation," the spokesman said.

The unit containers are used primarily in the restaurant and institutional fields.

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Industry News in Brief

Hydrometals to Buy

New York — Hydrometals, Inc., plans to branch out into the metal foil field through the acquisition of Stranahan Foil Co., Hackensack, N. J., a producer of foil for capacitors.

Monsanto Stresses R&D

St. Louis — Monsanto Chemical Co. will step up its research and development work on chemicals derived from pulp and paper production. In preparation for the intensified effort, the company has combined all applied research, product development, technical service, and sales activities for its 40 chemical products of this type into one division, the Organic Chemicals Div.

IRC Expands Facility

Philadelphia — International Resistance Co. will build a 10,000 sq. ft. extension to its plant in Boone, N. C., this summer. IRC said the addition will increase the plant's size by nearly one-third. The facility produces such products as power wire wound resistors, selenium rectifiers and diodes, voltmeter multipliers and printed circuit resistors.

EIC Automation Division

Houston — Electrodynamic Instrument Corp. here has created a process automation division to provide a wide variety of services, such as feasibility studies, engineering analyses of process control requirements, and liaison engineering during installation of systems. The company manufactures data handling equipment, electronic geophysical exploration systems, and various electronic components.

Birtcher Distributor

Monterey Park, Calif. — Birtcher Corp.'s Industrial Div. has appointed Seattle Radio Supply, Inc., Seattle, as a distributor for its line of tube, transistor, and component retention and cooling devices.

New Company Formed

Dallas — National Distillers and Chemical Corp. and Owens-Illinois Glass Corp. have organized a new company here, National Petro Chemicals Corp., which will produce blow-molded polyethylene products. The new firm expects to begin production by late 1962 in a plant with an annual capacity of 60-million lb., to be built by U.S.I. Chemicals Co., a division of National Distillers.

Kaufman Named Distributor

Wilmington, Del. — Kaufman Glass Co. here has been named an authorized distributor for mechanical packings manufactured by the Packing Div. of Raybestos-Manhattan, Inc., Passaic, N. J.

Construction Started

Linden, N. J. — Robert Campbell Co.'s Miller Steel and Aluminum Div. has begun construction

here of a new warehouse, which when completed in November, will replace the division's present facility in Hillside, N. J. The new warehouse will have three times the capacity of the existing one.

Plant in Full Operation

Gardena, Calif. — American Enka Corp. said the new integrated wire and cable plant of its Brand-Rex Div. here has gone into full operation. The plant can supply military hook-up

wires; the full range of Underwriters Laboratories appliance wires, including all computer constructions and semi-rigid vinyl insulated types; military air frame wires, and vinyl jacketed cables.

JAM Appointed

Trenton, N. J. — Baldwin-Ehret-Hill, Inc., has appointed JAM Industries, Inc., as a distributor-contractor for the complete BEH line of industrial insulations, insulating cements and acoustical materials.

ANOTHER ALUMINUM FIRST: Low voltage coils, the first of their type wound with aluminum strip and turned out on a mass production basis, move by conveyor to final assembly point at H. K. Porter Co.'s new Lynchburg, Va., plant. Coils are for Delta-Star DS-50 distribution transformer now being introduced on electric utility market. Already being made in a wide range of sizes, DS-50 models with capacities of up to 167 kva will be available by September, and ones with ratings of up to 500 kva by 1962.



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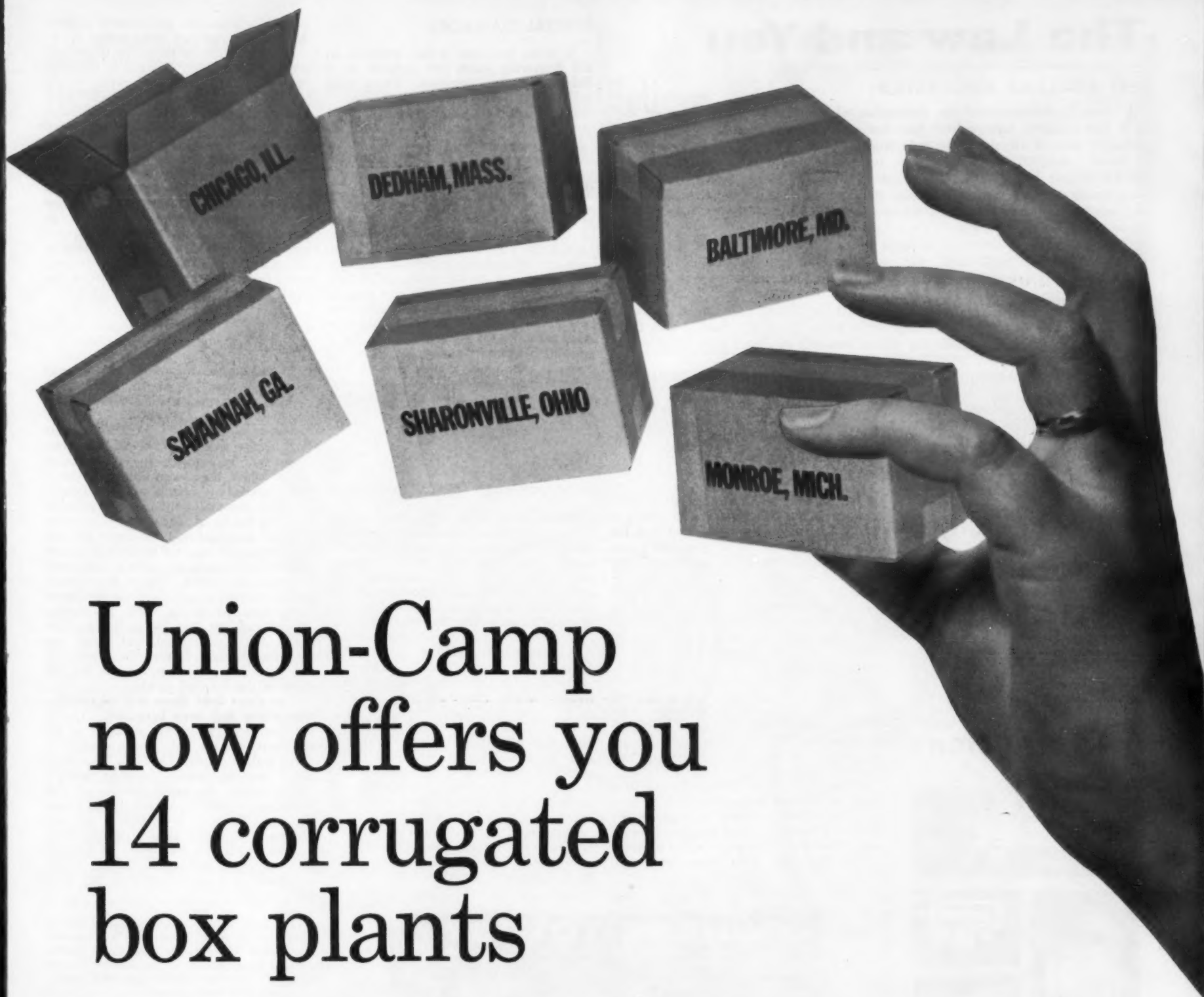
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The Law and You

BEST AVAILABLE INFORMATION

A seller's statement that the description of goods sold "is based upon the best available information" does not constitute a warranty, according to a ruling by the U.S. District Court in California.

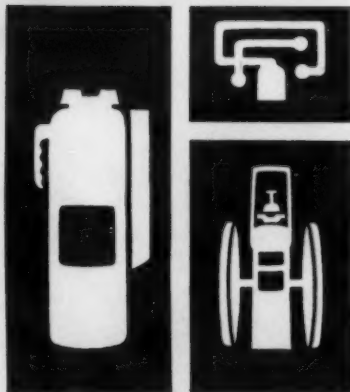
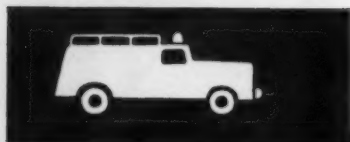
Buyer submitted the winning bids on various items of surplus aluminum offered for sale by the Navy Supply Center in Oakland, Calif. Seller listed in his description of each item an estimated total weight. Although seller delivered the correct number of pieces, the actual weight fell short of the estimated totals by some 30,525 lb., or 17%.

Buyer, who had contracted to resell the scrap by weight, sued to recover damages caused by the shortage. He based his claim upon allegations that seller was obligated to seek and furnish the "best available information" for its description and that he failed to do so.

The court in holding for the seller said that the quoted provision when read in the context of the unequivocal language in which it was set made it clear that seller was not obligated to make any efforts whatever to obtain reliable information.

"The reasonable and apparent interpretation is that defendant (seller) represents only that it possesses no information better than that which is offered. Good faith is all that is required. And plaintiff (buyer) has expressly disclaimed any intention of imparting bad faith to defendant (seller)." (*Western Non-Ferrous Metals Corp. v. United States of America*, 192 F. Supp. 774, 4/4/61)

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PERSONAL LIABILITY

When signing your name to a sales contract make sure it is clear that you are doing so as an agent and not for yourself individually. If you don't, you may be personally liable on the contract. Take this case:

Seller sent a letter to a purchasing agent at his employer's address, offering to sell a hydraulic power cutter. The P.A. returned the letter to seller with this notation on the bottom: "We wish to order the equipment as specified above." And he signed the notation.

The deal fell through, and seller sued the P.A. individually for the sales price of the cutter. The P.A. claimed he signed as agent for his company and so was not personally responsible. But the court ruled he had to pay.

If an agent signs his own name to a contract without designating that he does so as an officer or agent, he is personally liable. Otherwise every agreement bearing an individual signature might be questioned and the door open to fraud. (*Sago v. Ashford*, 358 p2 599)

SPECIAL DAMAGES

If seller breaches a buy contract by not delivering goods you ordered, he is liable to you for damages. These damages ordinarily are the difference between the contract price and the market price at the time of the breach, and are called "general damages." But, depending on the circumstances of your contract, your recovery can be increased by "special damages." For example:

Seller agrees to sell you 100 motors at \$100 per motor. The market value of these is \$125 each. Should seller breach the contract, your general damages are the difference between the contract price and market price, or \$2,500.

But suppose at the time you entered into the sales contract you told seller you needed the motors for machines you were manufacturing for a customer and that if you didn't have the motors by the agreed delivery date you would lose \$5,000. Thus if you were to lose the contract with your customer because of seller's breach, you can recover the additional \$5,000 as "special damages."

INTERPRETING THE CONTRACT

When the meaning of a contract provision is in dispute, the courts apply the rule that the correct interpretation is the one that would be given to it by reasonably intelligent persons acquainted with all trade customs and knowing all the facts and circumstances prior to and at the time of writing the contract.

In cases where trade customs and facts surrounding the writing of the contract do not aid in interpretation, courts will interpret provisions in dispute more strongly against the party who prepared it.

The Armed Services Board of Contract Appeals applied this latter rule in a recent case. Buyer contended that a fuel tank was part of a building purchased by him and that he was obligated, under the terms of the contract with the government (seller), to remove it.

The government invited bids "for the purchase and removal from the site" of a building. Other items connected with the building were mentioned, but the tank

was not. Thus, the government claimed the tank was not part of the sale.

In holding for the buyer the board said that buyer's interest was not in performing the removal work but rather in the value of the materials salvaged, since they were the only assets the government was offering. The interpretation urged by the government—that the tank was not part of the sale—was a reasonable one, said the board. However, since the contract bore more than one reasonable meaning, the board continued, the favored interpretation was one which operated more strongly against the party who authored it. Both the invitation to bid and the contract of sale were prepared by the government. (*ASBCA No. 6948, Army Appeals Panel, 4/27/61*)

SELLER'S RISK

The person having title to goods bears the loss if they are stolen, lost or destroyed, unless the parties contract otherwise.

The question before a New York court in a recent case was whether buyer or seller was responsible for the loss of goods when they were attached in a legal proceeding. Here's what happened:

Buyer rejected tinplate he purchased as being below specifications. The sales contract provided that the buyer did not have to pay for rejected goods and should retain such goods at seller's risk until they could be resold. Title to the rejected goods reverted to seller. When the goods were attached in a legal proceeding brought against the buyer by a third party, seller demanded that buyer return the goods. Buyer was unable to comply. Seller then sued buyer for the value of the rejected goods.

The court held there was no obligation which had been breached. Under the contract, buyer was relieved of all responsibility for the goods except to assist in their resale. The term "at seller's risk," said the court, "must be deemed to encompass the entire burden of the goods as between plaintiff (seller) and defendant (buyer). Such phrase was not limited to the hazards of fire and theft, against which it is customary to procure insurance." (*Tinplate Purchasing Corp. v. Tuteur & Co.*, 212 N.Y.S. 2D 303, 3/13/61).

(The above material was prepared by Sydney Prerau of the J. K. Lasser Tax Institute for PURCHASING WEEK. Reader inquiries on general tax and legal aspects of purchasing will be discussed here in accordance with space limitations and applicability.)

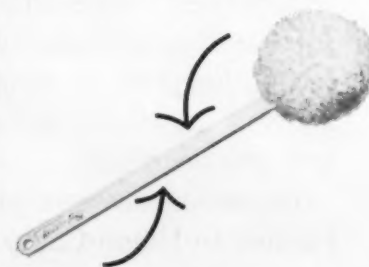
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Reins to Stay on Inflation, Economists Believe

New York—Most economic experts are now agreed that the new and bigger projected budget deficit for 1962 (see chart) need not set off any new round of inflation. While more government spending will put more steam into production, the consensus on prices remains the same: less than a 1% increase over the next six months.

Optimism about holding the line on inflation, despite budget deficits, is based on:

• **Lead time**—There is usually a long lead time between the letting of a military order and its actual translation into production and delivery. For example, of the \$1.8-billion in new appropriations for procurement, only \$100-million is expected to be spent before next January.

• **Government pressure**—The Administration will maintain a close watch on the basic industries—steel, autos, etc.—to discourage any across-the-board increases. Threats of new price legislation and increased enforcement of the antitrust laws are all part of the same over-all anti-inflationary program.

• **More government income**—Increases in government spending automatically will boost corporate and consumer incomes—and hence Uncle Sam's tax take. Government experts, for example, see almost \$1-billion of the increase in spending returned to federal coffers in the form of higher revenues.

• **Economic theory**—Many experts contend that a budget deficit is compatible with stable prices in periods where production capacity exceeds demands.

Thus Treasury Secy. Douglas Dillon recently noted that the deficit, rather than creating any sharp upward price movement in the current fiscal year, would instead "be helpful in putting our unused plant capacity and labor force to work."

One top industrial economist seconds Dillon's feeling that no sharp price rise is imminent. He observes, "In 1959, when the country ran much bigger deficits (\$12.4-billion) and when industry was operating at relatively high levels (85% of capacity), only a 2% price rise developed."

This expert goes on to say that today's situation is a lot more favorable as far as holding the price line is concerned. With

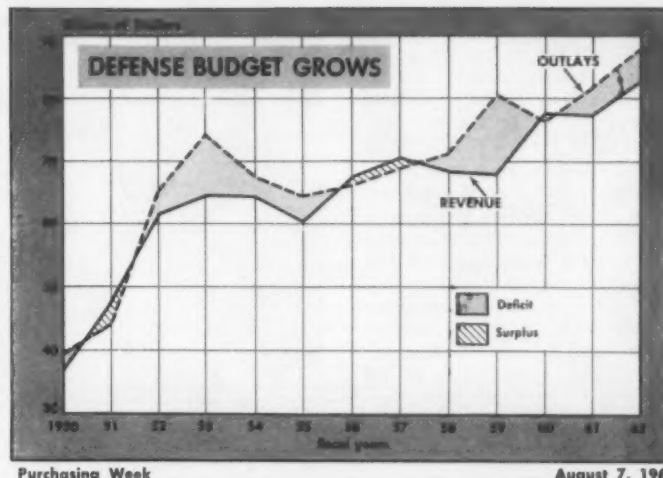
only a \$5-billion deficit projected for 1962, and industrial activity only around 80% of capacity, he feels that "there's more than enough production potential to meet increased demand stemming from deficit spending."

Another analyst points out that in the year just ended, the government ran some \$3.9-billion in the red, and industry prices actually dropped 1% over the period.

A look at the expected impact

of the new budget increase on GNP lends further support to the "no inflation ahead" school.

The \$2.7-billion in additional funds targeted for spending between now and next July is only a very small percentage of GNP. Even if you take into account the "multiplier effect" in other areas of the economy, nothing more than a \$4-billion to \$5-billion increase in over-all GNP can be expected from the new defense buildup.



Hawaii County May Ask Bids on Gas Purchases

Hilo, Hawaii—Hawaii County may follow the example set by Honolulu County in putting gasoline purchases on a bid basis.

County purchasing agent Masuo Masutani said the county now pays 31¢/gal. for high premium gasoline. It purchases the gas from four firms, each of which supplies fuel for a three-month period on a rotating basis. By way of contrast, Masutani said Honolulu, which advertises for bids on a year-long contract, currently pays only 26.4¢/gal.

He said one obstacle to the proposal is the lack of storage facilities in rural areas of Hawaii County, which might discourage some companies from submitting bids.

Do all your suppliers work week ends for you?

A lot of suppliers *talk* about delivery and service. Here's just one example of what we do.

When a P.A. reported to our Seattle representative that his firm* had an equipment failure, it was five o'clock on a Friday afternoon. 500 feet of 5-KV cable were needed—fast!

It was eight o'clock in the East, of course, but our Seattle rep called the home office anyway. He talked to the Sales Service Manager, who tracked down the Traffic Manager at his Friday-night bowling game. They both went to work, and by 11:00 that night the order was assembled from Rome's stock. It was shipped by plane and by 7:30 Monday morning was in Seattle and on the job.

Unusual? Maybe. But it's typical of what you can expect in the way of service when you meet your wire and cable requirements through Rome Cable Division of Alcoa.

*Name furnished on request

For information about our broad line of products, write for Bulletin RCP-200, "Guide to Representative Wire, Cable and Conduit." Address inquiries to Rome Cable Division of Alcoa, Dept. 13-81, Rome, New York.



ALCOA
ROME CABLE
DIVISION



GE Sends Out Three Mobile Vans To Show Latest Electric Apparatus

Plainville, Conn. — General Electric has started three mobile vans off on a nation-wide tour to show buyers the latest developments in electrical apparatus.

The vans contain display panels on which are mounted such items as meter sockets, safety switches, molded case circuit breakers, and specialty transformers.

Each van is assigned to one of the company's sales districts for a period of about three weeks. They will be used for presentations at electrical distributors' houses, trade shows, job-site calls on contractors and visits to utilities.

The schedules for the three vans and the dates on which they will enter each area follow:

Singer Postpones Move In New Attempt to Keep Bridgeport Plant Going

Bridgeport, Conn. — Singer Mfg. Co. said it will extend by one year the period allotted for transferring industrial sewing machine production from its plant here to Europe and New Jersey.

Singer said this will give the company more time to build up military production at the plant and thus keep to a minimum the number of workers to be laid off. In addition, Singer is setting up a special division to look for manufacturing units which could be bought and moved to the Bridgeport plant.

Under the new transfer schedule, the moves to Karlsruhe, Germany; Clydebank, Scotland, and Elizabeth, N.J. are to be completed in 1965.

Purchasing Centralized

Great Falls, Mont. — Cascade County has made the switch to centralized purchasing. The Board of Commissioners named W. C. Caughron to the new post of county purchasing agent. Caughron, who previously served as county inventory clerk, will continue to handle the functions of that office in addition to buying supplies and equipment for the various county departments.

Librascope

(Continued from page 18)

Cowan says, "This system utilizes a distributor to the fullest advantage by having reserved stock available on his shelves and eliminating the need for Librascope inventory. The safety factor is still strong as the distributor has agreed to maintain the stocks for Librascope's use. I feel that the plan benefits the distributor as well as Librascope, and this must be the case for the plan to be successful."

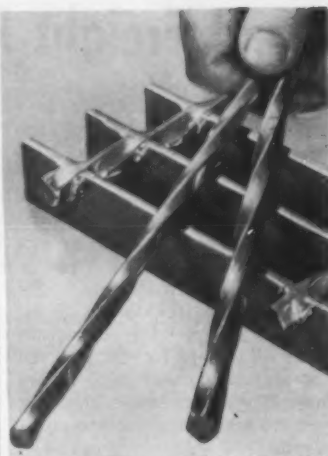
The electrical supply catalog contains about 400 different items. An advisory quantity based on previous use is given, but no guarantee is made to purchase a specific number of items. Plans are to supplement the catalog.

Any substitution of material must be approved by the buyer in advance of shipment. The agreement can be cancelled upon 10 days written notice by either party.

Swiss Firm Again Wins Contract for LA Turbines

Los Angeles — A Swiss firm, Brown Boveri Corp., again has underbid American companies on a contract for supplying two 200,000 kilowatt turbine-generator units to the city of Los Angeles. All bids were lower than two years ago when the Swiss concern won a similar contract.

The Los Angeles Board of Water and Power Commissioners said Brown Boveri was low bidder this time at \$8,806,035. The lowest American bid, submitted by Allis-Chalmers Mfg. Co., was for \$10,289,850.



NEW SPIRALED WIRE: Pittsburgh Steel Co. has been licensed by Steel Co. of Canada to produce and sell Ardox, a pre-formed wire for use in grills, railings, appliances, furniture and other ornamental work. Cold drawn Ardox is made from carbon steel or to customer specification in coils or 2-ft. to 20-ft. lengths and diameter range of .072 in. to .75 in. Wire is delivered ready for use, requires no annealing or twisting, is said to offer greater strength and speed production by requiring fewer fabricating operations.



...with new Stan-Pak Run-Rite Papers

The performance you get from your offset and office duplicators depends largely on the paper you feed them. Paper that won't lie flat or is unevenly trimmed can mess up the run thoroughly. Not to mention your temper.

Now you can avoid all this — with new Stan-Pak® Run-Rite® Papers.

Trouble-Free Running

Take flatness. We laboratory-test all our papers right on the duplicating machines they're made for. Stan-Pak Run-Rite Papers come to you flat. Lie flat in the machine. And feed flat.

But really trouble-free running calls for many more qualities. Controlled

moisture to avoid static conditions and insure good printability. Accurate trim and finish to prevent feeding jams. Even caliper, uniform weight and careful surface sizing to give you sharp, clean ink impressions. You get them all in Stan-Pak Run-Rite Papers.



525 Items—All Grades, Sizes and Types

This brand new line answers just about every office need in printing and duplicating papers. Under the Stan-Pak Run-Rite name you'll find the exact grade, color and weight you want — at a sensible range of prices to suit your budget.

Next time you order paper, try the brand that's made to run right. Through the duplicating machine. On the press. In the typewriter.

We're confident you'll specify it every time.

STANDARD PACKAGING CORPORATION
NEW YORK 17, N. Y.

ICC Chief Urges Joint Freight Rates, Facilities

New York—Joint freight rates and facility hookups with other modes of transportation were urged for railroads by ICC Commissioner Everett Hutchinson.

He told the New York Security Analysts that "integrated ownership may come, but coordinated service should come first."

He cited joint piggyback rates recently set up by the New York Central Railroad and Hermann Forwarding Co., North Brunswick, N.J., as "a step in the right direction."

Railroads should also operate joint facilities, such as loading ramps and docks, with truckers and barge operators, he said. When asked, "Who would want to integrate with a competitor?" he made it clear that he con-

sidered coordinated service as a necessary first step before joint ownership proposals could gain ICC approval.

"The shipper must get his dollar's worth," Hutchinson emphasized. "Integrated ownership can follow in logical order."

He also cited a need for "equality" in regulatory laws. The federal excise tax on passenger travel should be repealed, he said, and "state and local taxing authorities must cease looking upon railroads as a fat source of revenue."

Services in heavy demand should be "continued and improved immediately through federal, state, and local cooperation," he said. "Agricultural and dry bulk commodities exemptions in the Interstate Commerce Act should be eliminated."

He indicated that he held little hope that the New York, New Haven & Hartford Railroad, now in reorganization under the Bankruptcy Act, could be saved. "It has slipped into what I very much fear will be its final resting place," he said.



KING-SIZE JACKS: Weaver Mfg. Div. of Dura Corp., Springfield, Ill., has developed adjustable heavy-duty Twin-Post and Triple-Post lifts to handle bus, truck, or tractor-trailer units up to 108,000 lb.

REA Express Starting Overnight Air Freight Service to Puerto Rico

New York—REA Express inaugurated air express service to Puerto Rico, routed for overnight delivery from point of origin.

The express company will provide pickup and delivery service at San Juan International Airport for air shipments from the five airlines flying the route: Pan American, Eastern, Riddle, Trans-Caribbean and Delta.

Shipments will be routed via these airlines through Baltimore, Boston, Chicago, Miami, New Orleans, New York, and Philadelphia from any of the 1,800 airports in the U.S., REA said. The agency will provide pickup and delivery to 15 cities around San Juan at the San Juan rate. Service to other points on the island is available at a small additional charge.

Here are typical rates to San Juan:

Weight	N. Y.	Chicago	Dallas	S. F.
5 lb.	\$ 4.65	\$ 5.45	\$ 5.29	\$ 7.69
10 lb.	7.30	8.90	8.50	13.38
20 lb.	12.60	15.80	15.16	24.76

Only documentation required: shippers export declaration (government form 7525-V) plus regular domestic REA receipt.

National Airlines Begins Fla.-Calif. Cargo Runs

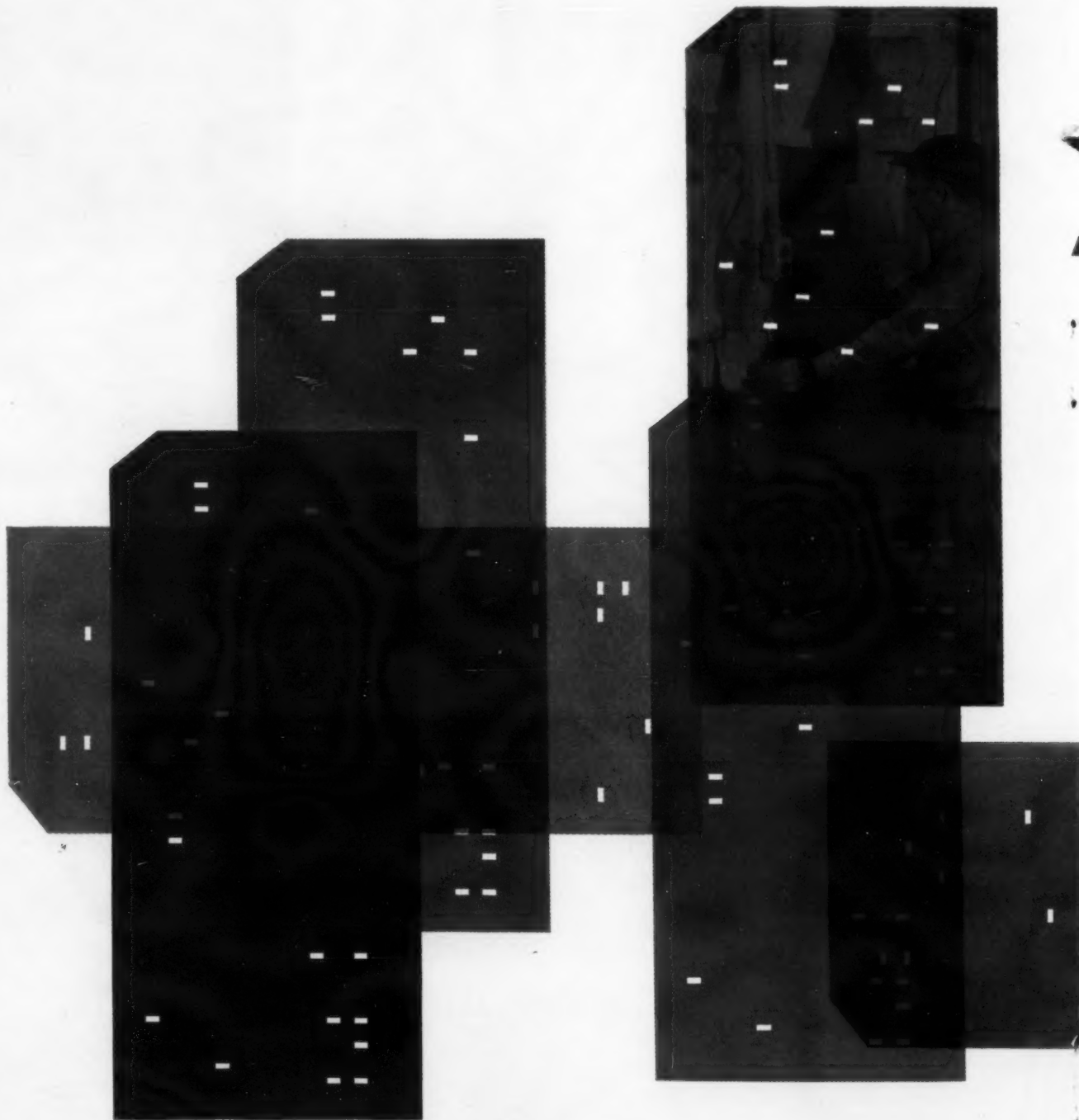
Miami—National Airlines has inaugurated all-cargo air service on the "missile route" from California to Florida.

Two Super-H Constellation air freighters will make round-trip flights five times a week, Monday through Friday, from Miami to Los Angeles, via Orlando, Tampa and Houston.

National Airlines, which began flying the Southern transcontinental route June 11, carries such cargo from Florida to the West Coast as electronic equipment, plastics, guided missile parts, wearing apparel (particularly sportswear), and aircraft parts for repair.

Eastbound movement of these items is even heavier. In addition, Houston ships oil well drilling equipment by air to the Caribbean oil fields.

National will continue to serve the New York-Miami route with all-cargo flights by two Super-H Constellation air freighters.



**DIRECT
LINE
SERVICE**

BRIDGEPORT A

Transportation Memos

"CONSTANT CHARGE" REVIVED: The Middle Atlantic Conference will soon publish its own version of this controversial method of freight pricing, which was overwhelmed by shipper opposition when it was introduced two years ago. More recently, the ICC suspended and put under investigation a version of this charge proposed by the Eastern Central Motor Carriers Assn.

The constant charge would replace all class and commodity rates on shipments under 300 lb., basing charges on weight and distance alone. The ECMCA's plan called for weight breaks at each 50 lb., while the MAC wants the charges to be graduated by 25-lb. steps, starting at 100 lb.

The Middle Atlantic Conference, feeling that the ECMCA's

proposal bogged down because it was tied to a general increase, doesn't want to let the plan itself die again. Meanwhile, the ECMCA deferred action on the general increase until its next general committee hearing Aug. 8 in Cleveland.

• • •

PACIFIC INLAND HIKE: A 5% increase in class and commodity rates went into effect on truck traffic in the Pacific Inland Territory except on commodity rated truckload freight. Other rate increase proposals may be forthcoming because of new Teamster contracts now under consideration. Here are other rate proposals, area by area:

NEW ENGLAND: Effective Aug. 14, the New England Motor Rate Bureau will increase class rates and minimum charges by 11% with maximum increases on truckload traffic ranging from 2¢/cwt. to 13¢/cwt. depending on class of goods.

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CENTRAL STATES: Central States Motor Freight Bureau trimmed its proposal to add 35¢/cwt. on shipments under 2,000 lb. to 25¢ and wants 5¢/cwt. up to 5,000 lb., 4¢/cwt. over, and 2¢/cwt. on truckload shipments. The new version, if approved by the ICC, also cancels the \$1 surcharge on shipments now in effect and increases minimum charges by 50¢.

• • •

ROCKY MOUNTAIN: Rocky Mountain Motor Tariff Bureau amended its original proposal for a 10% increase in freight rates to 6% on all rates and charges except on commodity rates with minimum weights of 10,000 lb. or more and certain class rated traffic. Tariffs covering the increases are expected to become effective by early September.

• • •

P.A.'S ROLE IN TRANSPORTATION: The ICC's newest member, John W. Bush, focused attention on the P.A.'s growing responsibility in transportation at the Annual Educational Institute of Florida Purchasing Agents in St. Petersburg, Fla.

"Every year your management is giving more attention to transportation planning," he said, "and the role of the purchasing agent becomes more vital to the balance sheet and profit and loss statement."

In many companies, he pointed out, transport and traffic are closely connected or even under the supervision of the purchasing department. Bush, in his first public address since being sworn in as an ICC member, recalled his own background as Ohio State Purchasing Director from 1949 to 1957.

• • •

INTERCOASTAL NOTE: Sea-Land Service, Inc., reports progress in its plans to initiate through trailer-ship intercoastal service (discontinued by Luckenbach Steamship) by early 1962. Presently the carrier uses conventional break-bulk type of operations and is making a special effort to regain the heavy canned goods traffic lost to the railroads. Low minimum weights on shipments (10,000 lb. and 20,000 lb.) with allowances to shippers for palletization are prime attractions in the revived service.

• • •

VAN SPEEDUP: Containerized cargo may now move directly from pier to authorized distribution stations without direct customs supervision, under a new customs ruling. This will speed the forwarding at most ports of freight arriving in a single large van or container for several consignees.

• • •

WHISTLESTOPS: Shell Chemical Co. is building hydrogen peroxide bulk-storage facilities at Charlotte, N.C. to provide faster truck service to textile, paper and furniture industries in the Carolinas, Georgia, and Virginia. . . . Port of New York Authority awarded contracts for two new cargo buildings at Idlewild Airport to be ready by July, 1962. . . . Wabash Railroad ordered 515 roller-bearing-equipped boxcars from ACF Industries.

ARE YOU SOMEBODY'S ROUTINE CUSTOMER?

If "adequate but uninspired" describes the service you're now getting—and you feel that you're just a statistic in your supplier's sales files—here's a unique sales policy that should interest you: your Bridgeport salesman or deskman can *directly* contact our technical management or mills to get prompt and authoritative answers or action on your special problems whenever they arise. This means you can count on the same "Direct Line" service on aluminum sheet that Bridgeport has always given in meeting the exacting requirements of buyers of copper alloys. You'll like getting the answers you need.

Aluminum sheet is rolled to "special metals" quality by Bridgeport's modern mills at Warren, Ohio and Riverside, California. Well stocked Bridgeport Metal Service Centers provide quick local service in major metalworking areas nationwide. Bridgeport salesmen and deskmen offer a helpful objective service to metal buyers in the proper selection of aluminum, brass and copper alloys... call Bridgeport Brass Company, Bridgeport 2, Connecticut... offices in principal cities.

COILED AND FLAT SHEET: WIDTHS to 48", GAUGES 0.006" to 0.125"—IN ALLOYS: 1100, 1145, 3003, 3004, 5005, 5050, 5052, 5357, 5457, 5557... Bringing 95 years of metals experience to the production of quality aluminum.

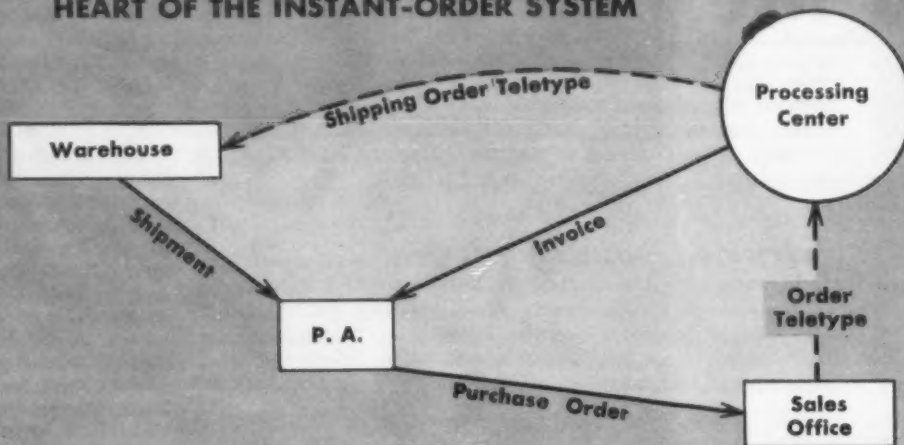
**BRIDGEPORT
BRASS COMPANY**



ALUMINUM SHEET

New Teletype

HEART OF THE INSTANT-ORDER SYSTEM



When the P.A.'s order reaches a Westinghouse district sales office, a nation-wide teletype network goes to work speeding the purchase order to the Pittsburgh processing center and the shipping order to the nearest warehouse. Controlling the operation is a RAMAC computer that locates the material and gets out the invoice.

Westinghouse Electric Corp. has opened an order processing center that enables the company to fill in 30 minutes an apparatus products order that formerly took five to six days to process.

The system puts some 42,000 Westinghouse products virtually at the fingertips of 15,000 customers and is proving a blessing for purchasing agents who are trying to find new ways of keeping their inventories down, Westinghouse says.

Heart of the system is an IBM 305 RAMAC computer in Pittsburgh. Nerve network is a leased teletypewriter system which connects the company's 111 sales offices with 26 field warehouses and the Westinghouse manufacturing plants.

The system handles an average of 15,000 to 16,000 orders a day and is geared to handle as many as 33,000.

How It Works

A purchasing agent mails or phones his order to one of the sales offices, and a teletype operator there puts it on tape in code form—six digits for the customer's name and address and five for the item description.

The operator transmits the order to the processing center in Pittsburgh, where it is transferred to punch cards. From there the computer goes to work. In the first of two runs of the cards, the 305 edits the orders for errors, and checks the Westinghouse inventory to locate the merchandise, searching first at the shipping point nearest the customer. This point may be one of the company's warehouses or else the manufacturing plant. If the nearest shipping point does not have the material, the computer fans out its dragnet to the next closest points until the item is found. It then updates the inventory file, reducing the stock by the order quantity, and punches out an interim card for each order.

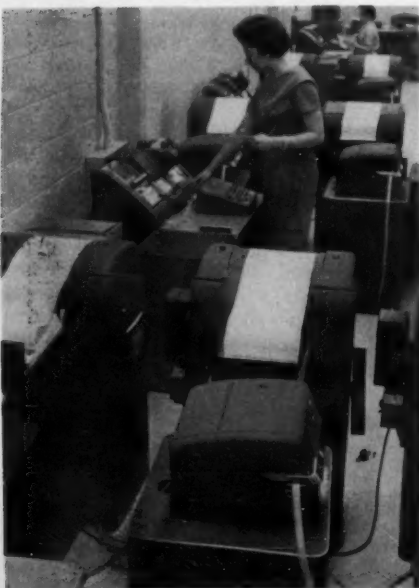
FROM ORDER TO SHIPMENT IN 30 MINUTES VIA LEASED LINE TELETYPE AND COMPUTER



At one of 111 sales offices, an operator sends out a purchase order over teletype to the processing center. The order has been translated into computer digit code, which compresses name, address, and material description into a series of numbers, thus keeping message traffic at a minimum.



At the shipping point, just one-half hour from the time that the operator put the order on the wire, the material is on its way to the purchaser. Because of the company's extensive teletype network, the system provides the same order handling speed, regardless of where the order originates.



COMING IN: Getting orders from sales offices, teletype machines punch out information on tapes.



TAPE TRANSFER: Order tapes are run through converting machine to get data on processing cards.



COMPUTER TAKES OVER: Processing Center Director D.C. McAlister, right, looks over control panel of IBM 305 RAMAC computer which handles orders for some 42,000 products from 15,000 customers.

Link Speeds Orders for Westinghouse Customers

On the second pass, the computer takes the interim cards, assigns an invoice number to the order, prices it, takes off any discount, tacks on sales tax where applicable, and inserts the shipping warehouse teletype address code. All of this information, which is part of the machine's memory bank, is accessible in seconds. At the same time it prepares a second set of cards for reordering items that have dropped below the order review point.

Although the computer stores the book price of all items manufactured prior to sale, the system still gives salesmen the flexibility to quote a different price if necessary. When this price comes in as part of an order, it overrides the book price already in the computer.

Further Processing

After the second run, the center separates the re-order cards for further processing by the group's manufacturing plants and puts the invoice cards through an off-line accounting machine which prints the invoices for mailing. Separated into four geographic zones, the cards then go through a converter to transfer shipping information onto five-channel teletypewriter tape. These tapes are put on one of four leased lines used solely for shipping-order traffic, and the information goes to the proper warehouse or plant. Automatically printed out at the shipping point are the shipping order, the packing list, the label, and the required number of bill-of-lading copies. The warehouse needs only to attach this material to the merchandise, arrange for transportation, and send the order on its way.

Because of the speed of handling orders, the order center guarantees same day shipment for all purchase orders received prior to 2 p.m. Pittsburgh time. This speed has an important bearing on inventory control.

"The national stock of Westinghouse is available to a purchasing agent in 30 minutes," says D. C. McAlister, manager of distribution accounting and procedures at the center. "Because he knows that we can replace his stock almost as fast as he uses it, the P.A. can keep his own inventory down to a minimum."

"For example, say a purchasing agent has an inventory level of three electric motors. When one is used he orders a replacement for the shelf and, while waiting for the order to be processed and the motor to arrive, figures the remaining two will fill in for any emergencies. Now that P.A. can trim his inventory to two motors and feel assured that a replacement can be on its way in less than a day," he explains.

Westinghouse Saves Too

Speed affects Westinghouse's inventory too. With faster delivery across the nation the company has been able to close some field warehouses, drastically reduce the stock of others, and chop inventory and warehousing costs. In electric motors alone, McAlister's group has managed to cut inventory costs from \$5-million to \$2.7-million. At the same time, because billing is faster, the center improved the company's cash flow by at least five days. And, according to the director of the center, the operation "has been remarkably accurate and dependable."

"Industry for a long time has measured material distribution efficiency by frequency of item turnover in the warehouse," McAlister says. "But we don't expect fast turnover at many of our 26 field warehouses. We do, however, expect to achieve the desired frequency of item turnover by filling a large proportion of the orders from a few strategically located warehouses and from the plants themselves."

He feels that in the past, improvements in distribution have lagged behind

improvements in production and packaging, so that this high speed order processing system is actually closing the gap between modernization of physical distribution and production methods. The goal: Better service and reduced costs. "All operating personnel who have had any association with our new abilities consider this as just the beginning," he states.

Computer order processing has important by-products. The system provides two paths of inquiry for salesmen who wish information of items in stock. One is a coded inquiry that comes directly to the computer. However, because this route uses valuable time on the machine, the center encourages the sales offices to teletype questions to a stock control group adjacent to the processing room. Beside the teletypewriter receiver is a remote inquiry station connected to the computer. An operator keys in the query and gets an immediate response, which is then teletyped back to the sales office.

In addition, a report of the most active items, based on the inventory information filed in the computer memory bank, is on each salesman's desk every Monday morning, telling him how many of what products are in stock and where.

McAlister estimates that leasing the computer and paying for the center's use of the teletype (an internal charge) costs between \$11,000 and \$12,000/month. According to the center chief, the additional load on the company's teletypewriter network that Westinghouse expected from the order center has never materialized.

Fewer Follow-Up Requests

"When I analyzed the teletype traffic to find out why we haven't overloaded it, I found that before the center opened a large number of the messages concerned follow-up requests on orders and deliveries. With the opening of the center, these follow-up queries have dropped off, so we are not really adding traffic to the lines," he explains.

Next step in McAlister's program is to refine the system further. This fall the center will begin leasing an IBM 1401 computer which will shave some time off the operation by eliminating the tape to card transfer. However, more speed in the center's mechanical handling of the orders is not his biggest concern at this point.

To me the last remaining vista of speed is in getting the purchase order in shorter time," McAlister told PURCHASING WEEK. "We are working now to get direct teletype connection to some of our big customers, thus cutting the day lost in the mail."

One power company customer is experimenting with the idea of doing away with purchase orders entirely. It phones in all orders to a nearby Westinghouse TWX wire office, gets the invoice the next day, and merely compares the invoice to the written record of the phone call.

Summing up the impact of electronic order processing, McAlister says: "It is difficult to overemphasize the far reaching benefits of the system. The half-hour cycle from purchase order to shipping order anywhere in the nation eliminates a paperhandling lag of up to six days. This speed of handling orders, together with better intercity transportation service, is permitting Westinghouse to give greatly improved service to its customers. At the same time, the company is benefiting from one of the most efficient warehousing and inventory control systems ever put into operation. The jet age claims to have shrunk the United States down to four hours long and three hours wide. We feel that we have reduced the U. S. to a 30-minute circle."



INVOICE PRINT-OUT: After two runs, the computer has located the material and punched out billing information. The cards then go to a calculator which automatically turns out an invoice ready for mailing to the customer on the same day.



READY FOR SHIPPING: With the invoice on its way, the cards are converted to Teletype tapes which in turn send out complete shipping orders to the warehouses.

Japanese Exhibits Dominate Chicago Trade Fair

Chicago—"This is the place to come to if you want to see your competition," one Midwest businessman remarked after viewing the 14,000 sq. ft. Japanese Pavilion at the Chicago International Trade Fair.

Although there were 27 foreign pavilions and a reputed \$5-million worth of exhibits on display at the big new McCormick Place Exposition Hall, Japanese products far and away dominated the scene.

Most of the big Japanese firms were represented and they displayed a wide assortment of products—from electronic wares to a \$53,000 planetarium. And although the spotlight focused largely on consumer items, industrial products—such as proximity switches, spot welding machines, bearings, stainless steel wire and strip—were very much in evidence. Numerous signs stressed the idea that "Made in Japan" meant products of "lasting quality."

'Nothing Earthshaking'

Charles Miraglio, P.A. for the Communications Div. of Motorola, Inc., Chicago, said he found nothing earth-shakingly new in the electronics displays, but admired the way the Japanese handled their exhibit. "I felt pretty strongly that Japan did the best job," he said. "They not only showed a large variety of products, but there was internal competition within the Japanese exhibit—different companies were displaying some of the same kinds of products."

Although many Japanese companies already had Chicago distribution, some—such as Origin Electric Co. of Tokyo—did not. Shegetada Chikazawa, sales representative for Origin, said his firm was seeking a Midwest outlet for its \$6,000 (f. o. b. Tokyo) spotwelding machine designed for welding vinyl-coated steel, and its \$7,000 special welder for hermetic sealing of transistors and diodes.

Poland Exhibits

Poland, while devoting most of its large exhibit to consumer products, did show a few electric motors, commutators and measuring instruments distributed by its government trading organization, "Elektrim."

"We are here to make contacts with importers in the Chicago area if we can," said Ryszard Strzelecki, assistant manager of Elektrim. Right now most

Japanese, U.S. Concerns Join in Timber Operation

Toyko—Three Japanese companies plan to join forces with U. S. interests to form a timber and pulpwood company that will operate in Alaska.

The Japanese companies involved are Marubeni-Iida, C. Itoh and Toyo Pulp. The U. S. firm is Pacific Northern Co., Portland, Ore., which owns timber rights in U. S. government forests in southern Alaska.

They plan to develop logging facilities, build a lumber mill, and later on, a pulpwood mill. Pacific will own 51% of the Alaskan operation and the Japanese companies the balance.

of the company's trade is with Russia and Germany, he said.

Stressing the theme that foreign trade is a two-way street, a special Volkswagen auto exhibit explained that the German automaker has purchased more than \$50-million worth of machinery in the U. S. in the past three years. Some of the machines, such as big presses and gear hobbing machines made in the Chicago-Cleveland machine tool centers, were on display.

The Inter-American Industries Conference was held con-

currently with the trade fair, and gave Western hemisphere countries a chance to discuss trade problems.

Latin countries hammered at the necessity for U. S. funds to keep their economies going.

Another speaker, S. J. Randall, first vice president of the Canadian Manufacturers Assn., urged that U. S. subsidiaries in Canada be given greatest possible autonomy, so that they can hire more Canadian personnel and buy as much Canadian materials as possible.

B. F. Goodrich Lowers Tire Prices in Canada

Toronto—B. F. Goodrich of Canada, Ltd., has cut prices 10% on most types of passenger, truck, and tractor tires. The reduction followed by a week a similar move by Goodyear Tire & Rubber Co.

Dr. R. V. Vohe, Goodrich president, said, "The policy of creating an unrealistic price list which was seldom adhered to, but which was always subject to a bewildering array of discounts, has in large measure created the present pricing situation."

Other tire producers, including

Dunlop and Firestone, said they will remain competitive. A Firestone spokesman, however, indicated a 10% cut was academic in view of the 25% discounts now being given by many dealers.

Chain Belt Co. Names Two New Distributors

Milwaukee—Chain Belt Co. appointed Bearing Distributors of Cincinnati, Ohio, and Kessinger Supply Co., Bellefonte, Pa., as full line distributors of its industrial products. Each will distribute Rex drive and conveyor chains, bulk materials handling equipment, and chains for agricultural implements.

NEW STEEL, NEW LACQUERING PROVIDE NEW SAFETY FOR YOUR



Strong
Modern
Dependable

A. G. Kroos Retiring After 33 Years As Head Purchasing Man at Kohler

Kohler, Wis.—A. G. Kroos, the man who directed purchases at Kohler Co. for the past 33 years, has retired. His successor is E. J. Pohland, his assistant.

Kroos went to work for Kohler 60 years ago as a combination clerk-office boy-chief errand runner. He started his purchasing career buying small hardware items from local stores, and during the years that followed, purchased millions of tons of raw materials and other items used by

Kohler—"everything—from diamonds to foundry sand; from fine watches to diesel locomotives," he said.

Kroos said he used four maxims as guides in his work:

- There's no substitute for quality.
- Get the most for your dollar.
- Be faithful to your good suppliers.
- Know your products; know your manufacturing procedures, and keep good records.



A. G. Kroos: Last look at Kohler Co. after 60-year career, including 33 years as purchasing chief.

Clark Adapting Air-Car Principle To Materials Handling Equipment

Buchanan, Mich. — Clark Equipment Co. is planning to adapt the "air-car" principle to industrial material handling.

The first two applications—which the company expects to have commercially available next year—are a "rollerless conveyor" and a "wheelless pallet." The air-car principle uses a jet of high pressure air to keep the load off the surface and eliminate friction.

The conveyor will use the air

to keep material off the surface, while the pallet application will be designed to keep both pallet and load from contacting the floor. Clark is also working to adapt the air-cushion to fork lift truck design—although these plans are still in the research stage.

Douglas Aircraft Co. developed the Glide-Aire system originally for handling aircraft cargoes and has licensed Clark as the exclusive U. S. manufacturer. The handling systems manufacturer last week told Purchasing Week that it hasn't set prices yet but announced that they will "definitely be competitive."

Specially designed pallets for the system can be connected by external air lines to standard compressors or, for larger rigs, they can be equipped with self-contained compressor units. These, however, the company says, would more rightly be classified as "trucks." With both flooring and pallet versions, horizontal movement will be provided by an operator pushing the load along from behind with little effort, or by a mechanical setup such as a simplified overhead conveyor line.

Possible uses under consideration include warehouses, railway cars, freight terminals, loading docks, and the like. Systems for flooring installations will be available both for existing warehouses, and for those under construction.

New Crude Oil Pipeline Constructed in Montana At Cost of \$13.5-Million

Butte, Mont.—Construction of a \$13.5-million glacier pipeline to provide a market outlet for crude oil from northwestern and central Montana has been completed.

Officials of Continental Pipeline Co. and Texas Pipeline Co. said that the glacier system has an initial capacity of 50,000 bbl./day. They estimate that about 200-million bbl. of oil will be transported over the line in twenty years.

Current daily production in the area served is about 26,000 bbl. The line extends from Cut Bank, Mont., to Byron, Wyo., where it connects with the Platte pipeline which moves crude to St. Louis and Chicago.

National Cylinder Gets Rights on Test Equipment

Chicago — National Cylinder Gas Div. of Chemetron Corp. said it has obtained exclusive sales and service rights in the U.S. and Canada for precision testing equipment made by Alfred J. Amsler & Co., Schaffhausen, Switzerland.

First of the products to be introduced in this country will be the NCG-Amsler Track Inspection Car, a mobile laboratory for determining the condition of railroad track.

The company said it also will market a smaller, manually propelled Track Inspection Unit, which can easily be lifted onto and off the track for local measurement work.

PROCESS, PRODUCT

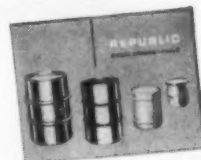
Blued steel that minimizes the problem of rust is being specified by more and more Republic Container customers. This steel is especially desirable for lacquer-lined containers, but is also used to advantage in plain or decorated drums and pails. Blued steel gives you better surface characteristics for coating inside and out.

Second point is Republic's new lacquering process. To eliminate the effects of air turbulence or drafts, special equipment sets up an electrostatic field within the drum. Lacquer mist from a high speed distribution head is uniformly attracted over the entire drum interior. You are assured positive lacquering in corners and recesses, and at no extra cost.

The complete Republic line offers sizes, gages, heads, hoops, threaded openings, and finishes (paint, galvanizing, or tinning) to meet your exact requirements. Drums are produced in 55-, 30-, 20-, and 15-gallon sizes. ENDURO® Stainless Steel Drums and 11 1/4" tight head or lug cover pails are also available.

One of the world's largest manufacturers of drums and pails, Republic offers complete printing, lithographic, and design facilities. For quotes, call your nearest Republic sales office or contact Container Division headquarters in Niles, Ohio (Olympic 2-2521). For a free copy of Republic's 16-page Container Catalog, clip and mail the coupon below.

REPUBLIC CONTAINER CATALOG lists types, sizes, and features. Mail the coupon for your free copy.



REPUBLIC STEEL

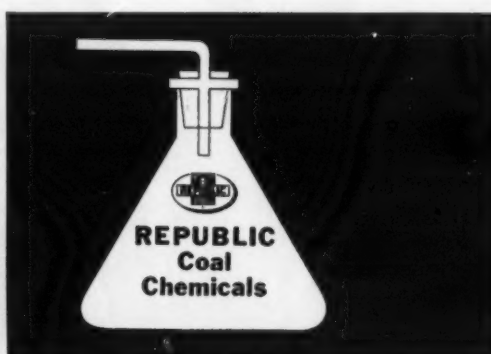
REPUBLIC HAS THE FEEL FOR MODERN STEEL



LET REPUBLIC HELP YOU with locker planning, and relieve you of responsibility for installation. Republic's quality steel lockers are competitively priced, yet are unique in their array of features. Available with popular locking devices. Bonderizing assures long-lasting beauty. For complete information, mail coupon.



FOR STRONGER, SAFER FRAMING, replace ordinary building materials with Republic's easy to use METAL LUMBER®. Ideal for dozens of applications. Simply measure, cut, and assemble. Slotted angle pattern speeds erection, reduces time and material costs. Available in two gages, two widths, standard bundles of 10- or 12-foot lengths. Send for brochure.



FOR CONSISTENT QUALITY, investigate Republic Coal Chemicals: Benzol, Taluol, Xylol, Crude Naphthalene, and Sulphate of Ammonia—ready for prompt shipment from Massillon, Cleveland, Youngstown, and Warren, Ohio; Chicago, Illinois; Birmingham and Gadsden, Alabama. Mail coupon for further information.

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Please send me Republic's Container Catalog

I would also like more information on:

- ☐ New Blue Steel used in Republic Containers ☐ Electrostatically Lined Drums
☐ Lockers ☐ METAL LUMBER ☐ Coal Chemicals

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Purchasing Week's Professional Perspective



**CONSULTANT
JOSEPH W. NICHOLSON**
Former NAPA President and City P.A. for Milwaukee

Discusses This P/W Headline

'New Moves Toward Central Buying At State, Local Government Levels

—(P/W 7-17-61)

News that Los Angeles County, the state of Florida, and Salem, Ore., have launched centralized pool buying for governmental units and agencies shows once again that public purchasing

is becoming more professional and attuned to the managerial needs of the job. As a former governmental buyer, I hope they will succeed in these excellent plans. The taxpayers in these areas should rejoice greatly.

There are at least three distinct advantages for the taxpayer in a successful coordinated pool purchasing operation.

- First, and most important, is the large saving resulting from quantity purchases. By pooling the similar requirements of several users, larger discounts are gained which a small city or town could not otherwise obtain.

- Second, standard specifications are used, with the result that the proper merchandise is purchased. This further reduces prices, and results in more economical use of the material and supplies. Waste is eliminated.

- Third, the largest agency in the pool, such as a state, county or large city, arranges for inspection and testing of the merchandise before acceptance. Small cities and towns do not have these

facilities. As a result, more value is received for the money spent.

There also are "fringe" benefits. The Council of State Governments recently reported that in states where laws permit local agencies to purchase on state contracts, local merchants reduce their own bids to a level equal to or below those of state contract prices. "In effect, the state agency acts as a negotiation weapon for the town P.A.'s," the council said.

However, the council report also stated, "The study . . . shows that pool buying has made very little headway in the states, because very few of them have been given the authority to set up centralized procurement agencies. What's more, in those states that do have official sanction to buy for local P.A.'s, a majority do so only occasionally. The reason, according to state P.A.'s, is that the municipalities prefer to go it alone." **I am convinced from my own personal experience that this is the answer to the apathy toward pool buying.**

Spark Still Alive

In 1936, I made a survey for the American Municipal Assn. on this subject, and came up with the same answer. But this did not kill the spark, and about 15 years ago, we organized a group in Milwaukee County called The Coordinated Purchasing Board of Milwaukee County. We arranged for the pooling of many commonly used items. Each agency was privileged to purchase from the designated sources at quantity prices based upon the estimated usage of the combined public agencies.

What happened? Interest lagged in the program, and attendance at meetings fell off. Obviously, the low contract prices were insufficient to offset the desire of each agency to go it alone. Subsequently, this group was discontinued, and in its place there developed a healthy organization of state, county, city, town, school, and other public agencies in Wisconsin, which functions like any local purchasing association.

Committee Studies Project

Recently, the subject of participating in state of Wisconsin contracts was taken up and a committee was appointed to see what could be done in this field. However, several problems have arisen in this study—among them allocation of funds to implement this activity. But the committee does not feel that these are insurmountable problems, and is exploring the matter further.

Several years ago, several Illinois North Shore cities joined in a purchasing arrangement. By pooling their requirements for commonly used items such as liquid chlorine, electric lamps, paper goods and other items, they realized worthwhile savings, according to Harry Knight, who sparked the program when he was purchasing agent of the city of Winnetka.

Similar success has been reported by the City of Cincinnati, Cincinnati School Board, the university and the county government located in Cincinnati. As I recall, a fund was established to implement the coordinated purchasing project, and a secretary was employed to handle paper work. Any one interested in how this program operates could get in touch with John Kreig, city P.A. for Cincinnati.

when you design it, think how you'll pack it — call GAYLORD

A good time to save money on corrugated containers is at the product design stage. Get your design people and your nearby Gaylord Man together, to see whether minor modifications now can lead to major savings in packaging costs.

That's another advantage of Gaylord's nationwide network of plants: you have local package design service practically on your doorstep, wherever you are. What new product ideas are in your design department now? Is today the day to alert your Gaylord Man?



CROWN ZELLERBACH CORPORATION
GAYLORD CONTAINER DIVISION



IN CANADA - CROWN ZELLERBACH
CANADA LTD. VANCOUVER B.C.
HEADQUARTERS ST. LOUIS
PLANTS COAST TO COAST

Answers to Strategy Games on Page 8

Answer to Problem I

The original setup looked like this:

	No. 1	No. 2	No. 3	No. 4
Appleby Company	25	30	26	24
Brewster Mfg.	24	29	25	22
Cord Mchny.	28	29	27	27
Delta Products	26	25	27	25

Now subtract the lowest number in each horizontal row from every number in that row, and your setup will change to this:

	No. 1	No. 2	No. 3	No. 4
Appleby Co.	1	6	2	0
Brewster Mfg.	2	7	3	0
Cord Mchny.	1	2	0	0
Delta Products	1	0	2	0

Finally, subtract the lowest number in each vertical column, and you'll get your answer, denoted by asterisks:

	No. 1	No. 2	No. 3	No. 4
Appleby Co.	0*	6	2	0
Brewster Mfg.	1	7	3	0*
Cord Mchny.	0	2	0*	0
Delta Products	0	0*	2	0

Answer to Problem II

Acme's assignment problem looked like this:

	Job 1	Job 2	Job 3
Skilled Workers	33	34	35
Unskilled Workers	36	37	39
Machine	34	36	37

Subtracting the lowest figure in each horizontal row from all numbers in that row, you get:

	Job 1	Job 2	Job 3
Skilled Workers	0	1	2
Unskilled Workers	0	1	3
Machine	0	2	3

Now subtracting the lowest figure in each vertical column from all the numbers in that column, you get the answer marked with asterisks:

	Job 1	Job 2	Job 3
Skilled Workers	0	0	0*
Unskilled Workers	0	0*	1
Machine	0*	1	1

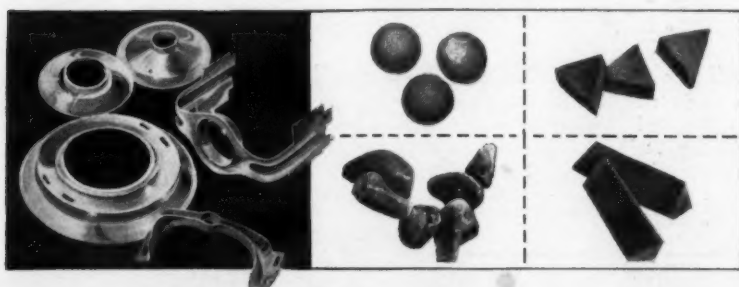
Assembling finished parts is no longer the money-wasting problem it used to be.

Barrel finishing with Norton TUMBLEX abrasives is your modern solution... your surest, quickest way to remove burrs, heat scale, sharp or rough edges and other surface imperfections that keep complicated parts from fitting together smoothly and accurately.

We say *your* solution because the scope of TUMBLEX abrasives is virtually unlimited. The parts you finish... for assembling or for any other purpose... can be of any metal, ferrous or non-ferrous... or non-metallic including plastics and even woods... as hard as sintered oxides or soft as the softest machinable material... and their sizes can range from miniature to massive.

Barrel finishing with the right TUMBLEX abrasive not only improves your product appearance and quality — its speed and simplicity can increase your man-hour productivity and cut your cost-per-piece produced.

Barrel finishing is best finishing... to cut your assembling costs



Without extensive hand-finishing and fitting, the assembly of these stamped component parts of an automotive thermostat was long and difficult. Barrel finishing with Norton TUMBLEX® abrasive proved unequalled for removing burrs that brought new speed to assembling.



Making better products... to make your products better

NORTON PRODUCTS: Abrasives • Grinding Wheels • Machine Tools • Refractories • Electro-Chemicals
BEHR-MANNING DIVISION: Coated Abrasives • Sharpening Stones • Pressure-Sensitive Tapes

Get complete proof. Send sample parts to our Sample Processing Department. We'll barrel finish, return samples and report the methods and abrasives you need for new production advantages. NORTON COMPANY, General Offices, Worcester 6, Massachusetts. Plants and distributors around the world.

*Trade-Mark Reg. U.S. Pat. Off. and Foreign Countries

G-408

In the World of Sales

Moorman R. Balis has been promoted to manager of fluid power equipment sales, **Bendix Products Div., Bendix Corp.**, South Bend, Ind.

J. B. Komendera has joined **Mechanical Air Controls**, Detroit, as sales manager. He was with Valvair Corp., Greer Hydraulics, Inc. and Timken Detroit Axle Co.

Paul L. Chamberlain has been appointed consulting-specialist for sales, **Computer Dept., General Electric Co.**, Phoenix, Ariz.

Robert C. Brady has been advanced to sales coordinator, **SunOlin Chemical Co.**, Philadelphia. Maynard D. Upper, who succeeds him as industrial products manager will coordinate the sale of industrial products in the company's Middle Atlantic sales region.

Carl E. Johnson was given the newly created post of division sales manager, **Sparton Automotive, div. of Sparton Corp.**, Jackson, Mich.

J. R. tenBosch has been assigned the new position of director of sales development, **Dole Corp.**, San Jose, Calif.

B. E. Olsen was named manager of Latin American sales for **Kaiser Steel Corp.**, Oakland. Jack D. McDaniel succeeds him as assistant manager of sheet and strip sales.

James W. L. Minkman has taken the newly created post of director of sales for plastics, **Polymers Dept., Hercules Powder Co.**, Wilmington, Del.

Richard D. Kelly has been elevated to manager of national account sales, **Electric Autolite Co.**, Toledo.

Milwaukee P.A. Group Names Vice Presidents

Milwaukee—In a move at streamlining its organizational structure, the Milwaukee Purchasing Agents Assn. has added three vice presidents to its executive lineup.

The group had been functioning under its original June 13, 1918 constitution and by-laws that provided for a president, vice president, secretary, and treasurer. Growth in membership and program activities, however, resulted in 26 committee chairmen reporting directly to the president. In order to reduce this work load, the Milwaukee Assn. elected a president and four vice presidents for the 1961-62 term.

Heading the new officers is Frank Messar, Globe Union, Inc. Serving with him as vice presidents with responsibility



Frank Messar

ities in the following areas are: Lawrence R. Jarvey, Oshkosh Motor Truck, Inc., secretary-treasurer; Leonard E. Benedict, Amity Leather Products Co., internal affairs; James E. Borchert, A. O. Smith Corp., educational advancement; and Arthur E. Belter, Hotpoint Co., division of General Electric Co., programs.

The vice presidents will attend committee meetings in the areas for which they are responsible and will report to the president, thus relieving him of his former responsibility of receiving, weighing, and passing on all committee activities and reports.

Among committee assignments, the association has always rated educational advancement of chief importance. It was responsible for establishing a credit purchasing course at Marquette University in 1935. This was taught by a committee of its own members, headed by an instructor member who had been a teacher in the Milwaukee schools prior to becoming a purchasing agent.

The association also pioneered in the writing of a textbook on industrial purchasing in collaboration with Professors J. H. Wesing and I. V. Fine of the University of Wisconsin. An Italian translation has just been published and a Japanese publisher has also arranged to translate and publish the revised edition for use in Japan.

Follow-Up: Letters & Comment

Just a Nanosecond

Paoli, Pa.

In Management Memos of the June 12 issue, I fear you have disseminated information which will slow down our fast-moving P.A.'s ("Short Pointer," p. 10).

The correct definitions of the computer terms listed: a microsecond is a millionth of a second; and a nanosecond is a milli-microsecond—or a thousandth of a millionth of a second—and that's traveling!

Isadore Gross
Manager of Purchases
Burroughs Corp.

Copying Machine

St. Paul, Minn.

The July 10 issue contained an article concerning four or five firms that are in the process of developing an electrostatic copying machine ("New Electrostatic Units Hit Office Copying Field; SCM set to Make Debut," p. 1).

We have been able to locate all addresses of the firms mentioned except for the Savin Business Machine Corp. Would you be able to furnish us with this address?

Donald H. Linder
Deputy Purchasing Agent
City of St. Paul

• The firm is located at: 161 Sixth Avenue, New York, N. Y.

Wants Reprint

Kansas City, Mo.

The American Institute of Certified Public Accountant's Committee on Accounting and Office Equipment is making a study of duplicating equipment and its application in the accountants' office.

I saw a reprint of an article in your March 6 issue covering the different processes used in duplicating and various types of equipment available ("P/W Product Guide: Data to Help You Make the Right Decision When Purchasing Office Copying Machines for Your Company," p. 32).

Our committee was very much interested in the article and would like five additional reprints.

Carl Lipoff
Lipoff, Sharlip & Co.

This Changing Purchasing Profession

Alexander L. Bupp has been advanced from director of planning to director of purchases, Bucyrus-Erie Co., South Milwaukee, Wis. He will continue to direct the firm's commercial evaluation activities.

Bernard O. Hermanson was made purchasing agent for the Queen Products Div., King-Seeley Thermos Co., Albert Lea, Minn. He previously served as production control manager at the Front St. plant.



A. L. Bupp B. O. Hermanson

Frank Golden joined Chesebrough-Pond's, Inc., New York, as general manager of domestic purchasing and packaging, a new post. For the past five years Golden served as manager of packaging and merchandise service, General Foods Corp., White Plains, N. Y.

Charles W. Arnold, assistant purchasing agent, Houston regional purchasing office of Dow Chemical Co., has been transferred to the corporate purchasing department, Midland, Mich., as manager of purchases-packaging. Ben W. Smith, Jr., succeeds Arnold in the Houston post. Smith had been in charge of the firm's Louisiana Div. production control and economic evaluation sections.

James R. Higgins has rejoined Olin Mathieson Chemical Corp., New York, as purchasing manager-metals. He had been controller-treasurer of Bridgeport Rolling Mills Co., Bridgeport, Conn., since December, 1959.

Edgar G. Rowe was advanced to purchasing agent, Forest City Publishing Co., Cleveland.

J. B. Boyd has been promoted to director of purchases, Sonoco Products Co., Hartsville, S. C. P. M. Stanley, assistant purchasing agent, succeeds Boyd as purchasing agent.

C. Harvey Collins retired as purchasing agent for the Abbey Etna Machine Co. after 55 years with the Perrysburg, Ohio, firm.

Ray McCue was named to head the new department established by the Albany County Commissioners, Laramie, Wyo., for the purchase and maintenance of equipment.

Harry A. Collier has taken the post of purchasing agent, SunOlin Chemical Co., with headquarters at Claymont, Del. He had been a purchasing agent for Day & Zimmerman, Inc., Philadelphia.

W. S. Harrison, general manager and head of purchasing of auto and home supplies for the Tire Div., B. F. Goodrich Co., Akron, has resigned to become president of Madison Industries, Inc., Toledo.

James V. Clifford was advanced to assistant buyer, Great Lakes Steel Corp., division of National Steel Corp., Ecorse, Mich.

Myles Bradley, former purchasing agent and factory manager, has been moved up to vice president-operations, Michigan Wire Cloth Co., Detroit.

R. K. Fusselman has joined the Parts Div., Mack Trucks, Inc., as purchasing agent. Fusselman, former senior buyer for Ameri-

can Standard Corp., will be located in the firm's purchasing headquarters, Plainfield, N. J.



R. K. Fusselman W. E. Burget

Wilmer E. Burget has been

named purchasing agent for Purdue University, Lafayette, Ind. He succeeds D. R. Finn, who became business manager and assistant treasurer. Edgar R. Parks replaces Burget as assistant purchasing agent and manager of food stores.

Universal Buys Hermetite

St. Louis—Universal Match Corp. has acquired Hermetite Corp., Carlstadt, N.J., and Reflectone Electronics, Inc., Stamford, Conn. Universal said both the acquisitions will be operated as wholly owned subsidiaries.

GE Signs Punt

Floral Park, N.Y.—General Electric Co., has appointed Punt, Inc., here as a distributor for its silicone insulating materials in lower New York State, northern New Jersey and western Connecticut.

Obituaries

Arthur E. Maginn, 66, retired buyer, Lord Mfg. Co., Erie, Pa., died July 1.

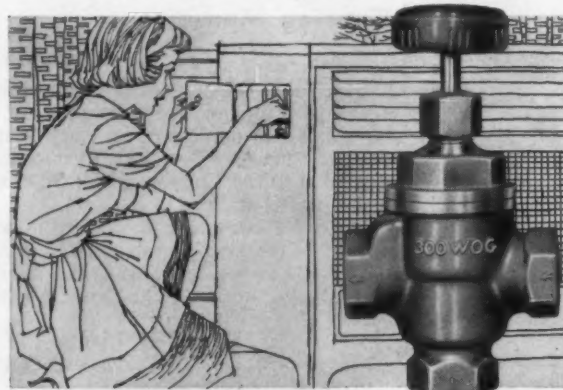
Joseph W. Todd, 74, a retired purchasing agent for the Pennsylvania Railroad, died July 6 in Roxborough Memorial Hospital, Philadelphia.

O-B Valves have Teflon packing that endures...



... in sprinkler systems

This O-B No. 408 side-outlet needle valve is ideal for sprinkler systems and in other piping where both "tee" and needle point are needed for effective control. Pressure gauge is often threaded on side outlet. Its tough Teflon-impregnated packing gives long-lasting corrosion resistance.



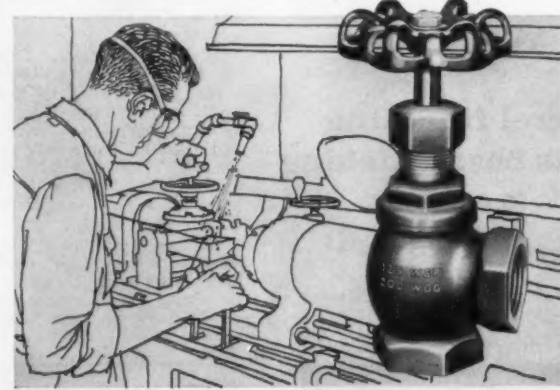
... in room-controlled units

Controlling the output of individual room units in central heating-and-cooling systems calls for this 3-way double-seated by-pass valve. It permits varying output of water to regulate temperature of rooms. Continual on-and-off operation is safeguarded by smooth, flexible, durable Teflon packing.



... in gasoline pipelines

Tight shutoff in gasoline and other services makes O-B globe valves (like plug-type No. 1401) most effective—particularly where continual throttling is necessary. The O-B Teflon-impregnated packing safeguards valve operation and helps avert the hazards of corrosion in piping gasoline.



... in coolant supply lines

Their Teflon packing—impervious to the ravages of oil and other processing fluids—makes O-B globe and angle valves ideally suited for coolant supply. O-B bronze valves such as No. 102 pictured provide tight shutoff of all oil grades. Its semi-plug type brass disc also promotes a tight seal.

O-B valves—first to use long-wearing Teflon packings throughout the line—offer many feature-advantages in sizes from 1/8" to 3". You profit most when you standardize on the complete O-B bronze valve line. Write for latest catalog information.

OHIO BRASS COMPANY • Mansfield, Ohio



Ask your distributor for the valve in the orange-and-black box

Sub Surface to Outer Space



Under or on the surface of the earth, in the air or in outer space, screw threads are vital to man's ability to live, move or work. Strip his inventions of screw threads and he would return to a village handicraft existence. Yes, it would be hard to overstate the impor-

tance of screw threads in our modern world, and equally hard to imagine generating internal screw threads efficiently without taps. If you use either standard or specially designed taps for products on which men's very lives depend, can you afford to use any but the best?

USE TAPS WITH CONFIDENCE, USE GREENFIELD TAPS **GREENFIELD TAP & DIE** GREENFIELD, MASS



Diamond Alkali Victorious in Fight For Control of Chemical Process

Cleveland — Diamond Alkali Co. won its battle with Commercial Solvents Corp., New York, for control of Chemical Process Co., a San Francisco based producer of polyester resins, pharmaceuticals, and chemicals used in water purification processes.

The end came when Commercial Solvents said it would sell its holdings in the West Coast firm to Diamond Alkali for \$15 per share. This is the same price

Commercial Solvents paid for the stock, which it started buying last May in an attempt to block the proposed merger between Diamond Alkali and Chemical Process.

Control of 80% of Stock

Diamond Alkali said the purchase of the shares owned by Chemical Solvents will give it control of more than 80% of the outstanding stock of Chemical Process.

Savings in the Millions

VA Paying Off for Convair and Aerojet-General

Ft. Worth — Value analysis keeps racking up impressive savings in defense work, as returns continue to come in from programs initiated by prime contractors.

One such program, launched by General Dynamics Corp.'s Ft. Worth facility over a year ago, illustrates how big the payoff can be. As a result of cost reductions made on the B-58 Hustler bomber, the Air Force gets eight

B-58's today for about the same price it paid for four in fiscal '60, according to H. L. Hicks, General Dynamics vice president and weapons system manager.

Because value analysis techniques were applied over a wide production area, it's almost impossible to figure precisely the savings that can be attributed to its use. However, Hicks was able to list these instances where value analysis played a key role in sav-

ing on vendor-supplied items:

- \$200,000 saved through re-alignment of equipment for more efficient use and retirement of 800 pieces of old equipment.

- \$13,320 from improvement of vendor tools and methods.

- \$1,700 per bomber saved through getting rid of parts no longer performing essential function.

- \$13,285 saved by adapting existing shop equipment to meet special tooling needs.

Key to value analysis successes at General Dynamics has been the educational program. Over 350 employees have gone through value control courses and similar programs have been used for vendors.

B-58 system manager Hicks says, "We feel it is our responsibility to give all possible defense per dollar. We also feel it is good business and essential for us to remain competitive."

Another example of how Uncle Sam is starting to cash in on value engineering is furnished by Aerojet-General Corp., a subsidiary of General Tire & Rubber Co. Aerojet has worked out a program which, in the past three years, has whacked off approximately 42% of production costs on the Army's solid fuel Hawk motors. This adds up to about \$1-million saved on these missile engines alone.

'Ask Ourselves Why'

"Key to the program's success," said I. C. Sleight, senior div. manager of manufacturing, "is that we constantly ask ourselves, 'Why do we perform specific tasks the way we do?' If there is no immediate clear-cut answer, we invariably come up with a change that saves money."

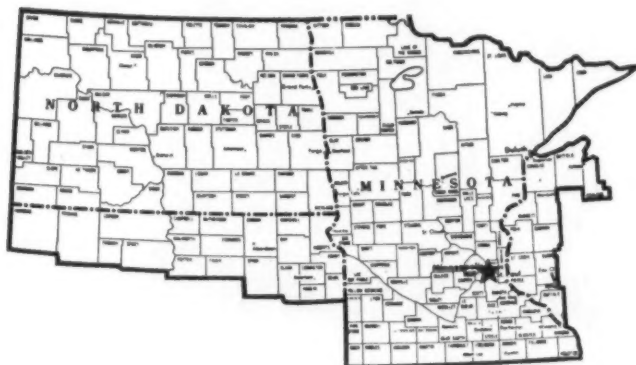
Two recent changes made as a result of the value analysis/engineering program were substitution of a cast aluminum grain core for a more expensive machined one, which is expected to save the government over \$53,000 on future orders, and improved tooling used to center the core inside the motor and hold it in position during the propellant casting. The tooling change racked up production savings estimated at \$85,000.

Ideas Continue

"Since over one million man-hours covering three years have been devoted to Hawk motor production, it would be reasonable to assume that company employees would start to run out of cost cutting ideas," Sleight observed. "But that has not proved to be the case. Ideas continue to be developed, and both labor and materials costs continue to decrease."

Aerojet has put into operation an employee suggestion plan on value analysis. Suggestions resulting in significant savings get cash rewards. Through this plan the company recently paid \$1,417 to a technician for a process improvement idea which saved an immediate \$1,800 in tooling and will save \$4.40 on each motor produced in the future.

67 years of service to the Industrial Middle West



INLAND STEEL IS HERE

Gateway to the great northwest, the Twin Cities form an enormous distribution center—shipping the products of its industries over thousands of square miles. And here, Inland serves—furnishing the steels from which Minnesota's thriving industries produce air conditioners, vacuum cleaners, refrigerators, cranes, derricks—bridges, railway cars, farm cultivators, bins, batteries of all-steel silos, structures for an expanding petrochemical industry—millions of cans for this fertile land's great food-packing industry—diverse products like corrugated metal culverts, electrical controls and equipment for Minnesota's famous millers.

Inland men, representatives of their company, make this land their home—love it for its lakes and forests—are proud of its heritage. Here, is the source of the Mississippi, Father of Waters. Here, is the famous Mayo Clinic. Here, are the Mesabi iron mines and the great ore shipping port of Duluth. This is the land of Paul Bunyan and of Sinclair Lewis and of the Minneapolis Symphony Orchestra. And from this land comes Scotch Tape, Univac, sugar beets, canning corn, peas, potatoes, wheat to feed the world and millions of Christmas trees to gladden the hearts

of children all over America.

Vast is this territory, covering all of Minnesota, North Dakota and the northern half of South Dakota. A tremendous land, yet everywhere Inland is a familiar name—welcomed as a good neighbor, respected for the quality of its products, unstinting metallurgical counsel, its dependable service. Here, Inland has grown as the area's industries grew and expanded—sharing good times and bad—learning through intimate experience as the men who built the plants and made the products grew in stature and in technical knowledge.

Here, Inland has served for many decades—enjoying the confidence and friendship of northwest businessmen and civic leaders—and here Inland will continue to serve in all the years to come.

INLAND STEEL COMPANY

30 West Monroe Street Chicago 3, Illinois

Sales Offices: Chicago • Davenport • Detroit • Houston • Indianapolis • Kansas City • Milwaukee • New York • St. Louis • St. Paul

Other Members of the Inland Family: Joseph T. Ryerson & Son, Inc. • Inland Steel Products Company • Inland Steel Container Company* • Inland Lime & Stone Company*

*Division



One of a series depicting market areas served by Inland • Art by Nicholas Sidjakov

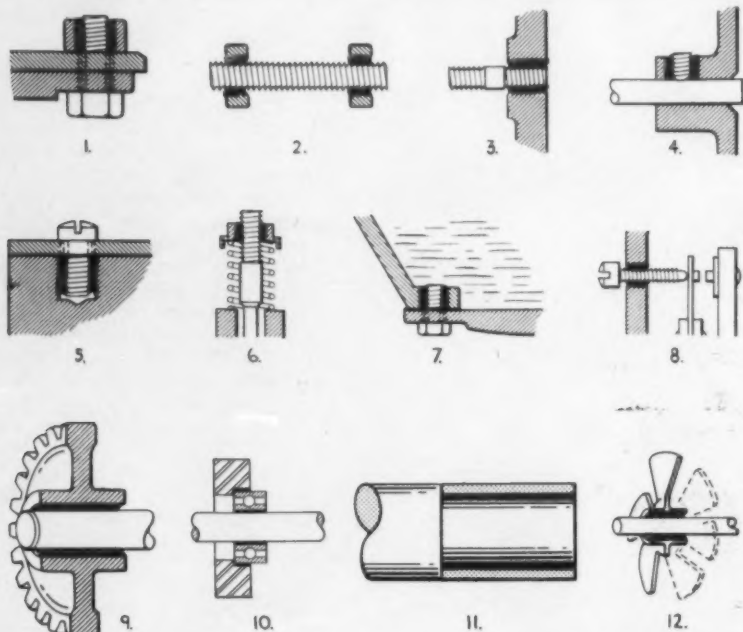
Product Perspective

LIQUID LOCKING RESIN is replacing locknuts and "press-fits" in a variety of industrial applications. The liquid remains wet as long as it is exposed to air, but hardens to keep mating parts together when placed between them.

The sealant, called Loctite, is manufactured by the American Sealants Co. in Hartford. It comes in sizes ranging from a capsule good for five applications to an 8-oz. plastic bottle with enough material to treat 15,000 1/4-in. nuts.

WHERE IT'S USED: It replaces locknuts, lock washers, lock screws, jam-nuts, staking and interference threads at savings estimated from 40% to 70%. A General Electric value analysis figured a 40% cost cutting in a locknut application this way: locknut, 3/4¢, screw, 1/2¢—total 3/4¢. Same job done with sealant: nut, 1 1/4¢, screw 1/2¢, liquid paste, 1/2¢—total 2 1/4¢. Savings: 1 1/2¢.

The liquid also eliminates the costly fine-machining needed for press-fitting of metal parts. Slip-fitted pieces coated with the material become securely



LOCKING SEALANT is used to do such jobs as: (1) eliminate self-locking jam-nuts; (2) lock unseated nuts; (3) eliminate interference fits; (4) lock set screws; (5) make ordinary screw self-locking; (6) lock adjustment nut; (7) seal liquid-holding screws; (8) lock adjustment screw; (9) retain gear on shaft; (10) eliminate press-fit for bearing; (11) mount hardened sleeve; (12) mount fan blades.

bonded. Rotors, pulleys, gears, control knobs, fans, and hardened sleeves can be kept in place without fasteners.

Assembly of shafts is greatly simplified—fans, for instance, can be set in place without set screws. Rotors need no press-fitting, and gears and pulleys can be put in place without broaching or knurling. Hardened sleeves can be set together without the shrink-fitting that sometimes destroys the temper of the metal.

Mounting of bearings has developed into a major use for this new assembly technique. Inner and outer races are attached to shafts and housings with slip-fits, yet push-out force exceeds that in press-fit. Close tolerance machining is not needed, and danger of fretting due to loose fit and bearing distortion resulting from tight fit are eliminated.

Loctite has been approved in a number of military specifications and is used to fasten bolts on Polaris submarine radomes and helicopter blades.

APPLICATION: Each fastener may be treated with a few drops of the sealant directly from the applicator bottle. The drops will be drawn into the joint by capillary action. If small parts are used in quantity, the fasteners and a measured amount of sealant can be tumbled in a small barrel. Tumbling applies a uniform coating of a proper thickness over the entire surface at minimum labor cost. Since the sealant remains liquid as long as it is exposed to the air, treated fasteners can be assembled whenever desired. A Cleveland firm, Aids Development Co., is designing new devices that are capable of applying the sealant at various production rates.

Cure time for the liquid varies from 4 to 12 hr. at 75F, depending on the metal. At 212F, it cures in 10 minutes. Many users dunk parts in boiling water to speed curing. Operating temperature range goes from low of -65F to high of 300F.

GRADES: Six different strengths and a variety of viscosities let the user pick the grade sealant that's best for his particular application. Shear strengths are available from 75 psi. to 1,500 psi. at viscosities ranging from 10 cp to 150 cp. Mild grades can be specified for holding adjustment screws and strong grades used for bonding bearings and shafts. When strong grades are used, the material being fastened will fail before the sealant. Grades are coded with different colors to simplify selection.

Here's your weekly guide to...



Dictating Machine

Records on 14-Min. Belt

Portable dictating machine records on a reusable magnetic belt with a 14-min. capacity. Five flashlight batteries power the transistor unit which has an indicator to show when they need replacement. The unit is cased in aluminum, is 2 1/2 in. x 6 1/2 in. x 10 1/8 in., and weighs 6 1/4 lb.

Price: \$385. **Delivery:** 90 days.

International Business Machines Corp., 545 Madison Ave., New York 22, N.Y. (PW, 8/7/61) **SIC #3579**



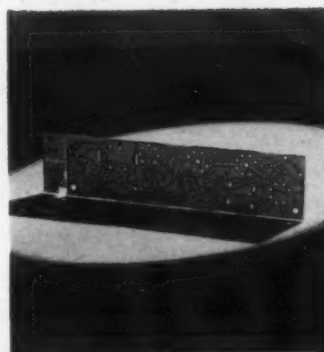
Industrial Paint

Dries Rapidly

Maintenance paint dries dust-free in four hours and dries "through" in eight hours. The silica-graphite paints include a basic lead silica primer, three shades of gray, two of green, a black, and a red.

Price: \$5.25 to \$6.35/gal. (depending on color). **Delivery:** immediate.

Joseph Dixon Crucible Co., 167 Wayne St., Jersey City 3, N.J. (PW, 8/7/61) **SIC #2851**



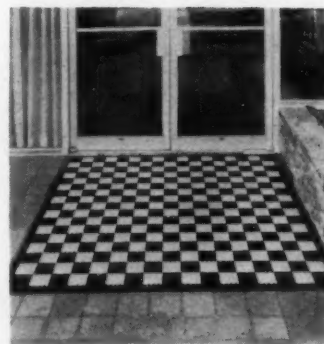
Printed Circuit Laminate

Has Glass Reinforcement

Laminate for printed circuitry is a glass reinforced plastic whose strength permits the use of .055-in. thicknesses in place of .062-in. paper-base phenolics. The material is easy to process, cold punches well at room temperature, and is self-extinguishing. It has an unusually low moisture absorption.

Price: 78¢/sq. ft. **Delivery:** immediate.

Cincinnati Milling Machine Co., Cincinnati 9, Ohio. (PW, 8/7/61) **SIC #3679**



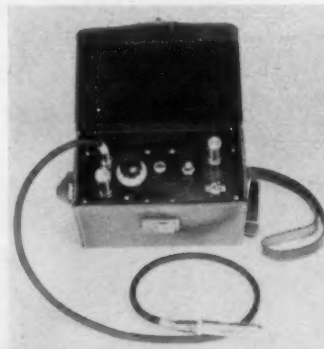
Floor Mat

Is Reversible

Mat of ribbed polyvinyl chloride is a reversible floor covering for entrance ways and similar locations. The 4-in. x 4-in. squares can be made into patterns to coordinate with permanent flooring and give a "no hole" construction. Weight is about 2 lb./sq. ft.

Price: \$3.40 to \$4.10/sq. ft. (plus nosing costs). **Delivery:** 2 to 3 wk.

American Floor Products Co., 4922 Wisconsin Ave., N.W. Washington, D.C. (PW, 8/7/61) **SIC #3069**



Indicator

Detects Explosive Gases

Safety device is a unit that indicates by percentages the concentration of explosive gases in the air. It can be calibrated for any flammable gas. The instrument works on dry cell batteries for portable use and is actuated by the electrically operated probe that contains the detector element.

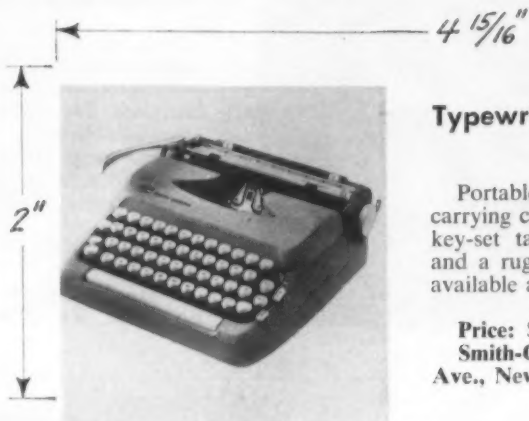
Price: \$124.95. **Delivery:** 7 days.

Beard Instruments, Inc., 3963 Kirby Dr., Houston 6, Tex. (PW, 8/7/61) **SIC #3821**

New Products

Price data that accompany each product description are list or approximated prices supplied by manufacturers. Unless otherwise noted, prices quoted are for the smallest quantity that can be ordered.

Picture aids product recognition



Typewriter

Has Steel Carrying Case

Portable typewriter with lightweight steel carrying case has an 88-character keyboard, key-set tabulation, interchangeable platen, and a rugged all-steel frame. Three colors available are gray, light green, and blue.

Price: \$109.50. **Delivery:** immediate.
Smith-Corona Marchant, Inc., 410 Park Ave., New York 22, N. Y. (PW, 8/7/61)
SIC #3572

Size permits you to paste on 3"x5" card

Copy gives only pertinent details

How much it costs and how soon you can get it

You'll know when item appeared

NEW SERVICE: SIC FILING NUMBER

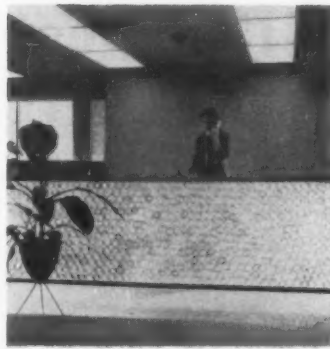


Vinyl Envelope

Protects Records

Transparent envelope of vinyl, sealed on one side and bottom, protects all records of 8 1/2 in. x 11 in. and smaller. Available in any of four colors (and clear) it also permits color-coding of reference and file materials and is thumb-cut on the open side for easy removal of contents. The envelopes are packed 20 to a box.

Price: 25¢/each. **Delivery:** immediate.
National Blank Book Co., Holyoke, Mass. (PW, 8/7/61)
SIC #2645



Decorative Panels

Screen Office Areas

Shatterproof panels of acrylic plastic sheets with a decorative coring material between them serve as partitions to screen off office areas. They are made in sizes up to 4 ft. x 10 ft. and are suited also for outdoor architectural applications and windows. They come in a wide range of color combinations.

Price: \$2.50 to \$6.50/sq. ft. **Delivery:** 3 to 4 wk.

United States Rubber Co., Naugatuck, Conn. (PW, 8/7/61)
SIC #2541



Air Nozzle

Operator Controls Pressure

Nozzle takes air directly from pressure line without pressure regulator and permits metering of the air-flow for blast cleaning and similar jobs. Units are available with maximum output capacities from 5 psi. to 50 psi. A screw cap adjustment also prevents discharged air from exceeding any desired pressure up to the nozzle's capacity.

Price: \$2.95. **Delivery:** immediate.
Air-Lock Engineering Co., 1426 Poinsettia St., Santa Ana, Calif. (PW, 8/7/61)
SIC #3548

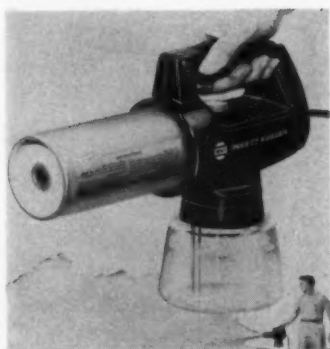


Graphite Lubricant

Comes Ready-to-Use

Graphite lubricant comes ready-to-use and can be applied by brush to metal and wood. It dries to a hard, slick finish in about 30 min. and overcomes sliding friction problems in applications such as conveyors, chains, large open gears, and sliding door channels. It can be used on slides of fork lift trucks and won't squeeze out.

Price: \$4.60/gal. **Delivery:** immediate.
G. W. Smith & Sons, Inc., 1700 Spaulding Rd., Dayton 32, Ohio. (PW, 8/7/61)
SIC #3295



Insect Sprayer

Kills on Contact

Portable electric unit delivers a dense fog that kills flies and mosquitoes on contact. From 1 oz. of insecticide it produces 2,000 cu. ft. of fog in 30 sec. The area can be entered immediately while the insect-repelling effects last for hours. The unit operates on 115 v. a.c., 60 cycle, and holds 1 qt. of insecticide for fogging.

Price: \$39.95. **Delivery:** immediate.
Burgess Vibrocrafters, Inc., Grayslake, Ill. (PW, 8/7/61)
SIC #3999

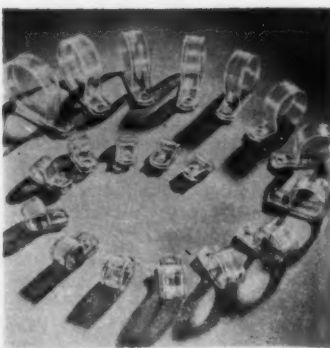


Swingframe Grinder

Positions Easily

Swingframe grinder is a compact unit with a three-handle arrangement for easy positioning on the workpiece. It is powered by a 5-hp., 3,600-rpm. motor. The spindle accommodates wheels with 7-in. or 10-in. dia. and 1-in. face widths and bores.

Price: \$725 to \$760. **Delivery:** 2 wk.
Grinding & Polishing Corp., 2530 Winthrop Ave., Indianapolis 5, Ind. (PW, 8/7/61)
SIC #3541



Cable Clamps

Resist Weathering

Butyrate cable clamps that are ultraviolet stabilized for high resistance to weathering are available in 18 different sizes which accommodate wire from 1/8 in. to 1 1/2 in. dia. They are clear in color and are 1/2 in. wide.

Price: \$10.07 to \$34.11/1,000. **Delivery:** immediate.
Weckesser Co., Inc., Dept. PW-7, 5701 Northwest Hwy., Chicago 46, Ill. (PW, 8/7/61)
SIC #3069



Portable Sprayers

Dispense Light Liquids

Portable sprayers with 1-qt. or 6-oz. capacities each dispense light liquids in a jet-stream or a fine mist. They are charged by compressed air chuck or auxiliary carbon dioxide bombs and can be used for lubricants, waxes, coatings, cleaners, insecticides, etc.

Price: \$2.95 (6 oz.) and \$8.95. **Delivery:** immediate.
Milwaukee Sprayer Mfg. Co., 2437 W. Fond du Lac Ave., Milwaukee 6, Wis. (PW, 8/7/61)
SIC #3561

Your Guide to New Products



Photocopy Machine

Reproduces From Any Color

Moist process diazo photocopy machine produces black-and-white copies from any color and from originals on any 9-in. wide paper, film, or cloth. Originals can be type-written, printed, stamped, or written in pen, pencil, or ballpoint. The compact machine is 17 in. wide, 6 3/4 in. deep, and 10 in. high. Plugs into any 110-v, a.c., 60 cycle outlet.

Price: \$99.50. **Delivery:** immediate.

General Aniline & Film Corp., Ozalid Div., Johnson City, N. Y. (PW, 8/7/61) SIC #3861



Fiberglass Ladder

Gives Insulation Safety

Nonconducting ladders of fiberglass give extra safety working around electricity. The fiberglass line includes step, straight, and extension ladders of various sizes. Aluminum rungs are connected to the fiberglass rails so as not to turn, pull out, or collapse. Nonskid rubber feet also increase insulation.

Price: \$96 (12-ft. step ladder). **Delivery:** 1 wk.

Louisville Ladder Co., 1101 W. Oak St., Louisville, Ky. (PW, 8/7/61) SIC #3449

Exceptional Service is the Rule at Wittichen Chemical Company



Wittichen Chemical's truck fleet includes specialized types for best handling of chemicals.

"Get the product to the customer." For 48 years that has been the goal of Wittichen Chemical Company of Birmingham, Alabama. Night and day they have supplied industrial chemicals to industries in Alabama, Mississippi, and parts of Florida, Georgia and Tennessee.

To make sure that their customers' emergency needs are met, the company maintains ample stocks of more than 175 chemicals, controlled by a Kardex control system. Experienced phone personnel speed orders to the shipping departments of the Birmingham and Montgomery, Alabama, plants for immediate processing. The company has complete cylinder filling operations for chlorine and ammonia as well as tank truck, carboy, drum and gallon facilities for all acids, solvents, bleaches and other liquids.

Wittichen Chemical backs its product availability program with experienced field men offering in-plant technical assistance. This customer service is typical of the chemical distributors handling Mathieson chemicals. For the name of a distributor in your area, call or write OLIN MATHIESON, Baltimore 3, Md.

Olin
CHEMICALS DIVISION

MATHIESON CHEMICALS: Ammonia • Sodium Bicarbonate • Carbon Dioxide • Caustic Soda • Chlorine • Hydrazine and Derivatives • Hypochlorite Products • Methanol • Muriatic Acid • Sodium Nitrate • Nitric Acid • Soda Ash • Sodium Chlorate • Sodium Chlorite Products • Sodium Methylate • Sulfur (Processed) • Sulfuric Acid • Urea

500



Phone order service by Bernelle Garner and Sarah Loyd is a major factor in prompt attention.



Truck-load orders usually include a number of chemicals.



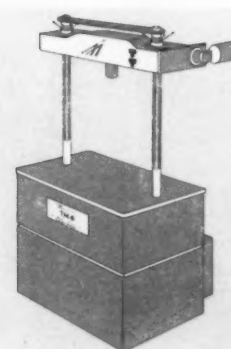
Aluminum Jacket

Protects Pipe Elbows

Aluminum jacket covers and protects insulated pipe elbows to prevent insulation cracking and resultant damage to piping. The covers come in thirteen sizes which fit O.D.'s from 3 in. through 12.81 in. with either a long or short radius. They fit screwed or socket-welded fittings and can be attached by metal bands, screws, or Pop rivets in less than 5 min.

Price: \$1.33 to about \$7/each. **Delivery:** immediate.

General Aluminum Supply Co., 1515 Eastern Ave., Kansas City 26, Kan. (PW, 8/7/61) SIC #3499



Test Machine

Tests Physical Properties

Testing machine determines physical properties of all types of materials including metals, plastics, ceramics, cloth, and paper. It is available in 15,000-, 30,000-, and 60,000-lb. capacities with a hydraulic power stroke of 12 in. The automatically controlled machine tests materials in tension, compression, bending, fatigue, creep, creep-relaxation, and recovery. A wide accessory range is available.

Price: \$20,000 (basic machine). **Delivery:** approx. 4 mo.

Marquardt Corp., 16555 Saticov St., Van Nuys, Calif. (PW, 8/7/61) SIC #3821



Skid Truck

Has 1,100-lb. Capacity

Skid truck with an 18-in. x 40-in. platform has a capacity of 1,100 lb. and rubber-tired wheels designed for under-load positioning for full support and stability. The truck has a 5 3/4-in. lowered platform height and a 2-in. mechanical lift in one stroke. Construction is all-steel.

Price: \$205. **Delivery:** immediate.
Stokvis Multiton Corp., 18 Secatoag Ave.,
Port Washington, N. Y. (PW, 8/7/61)
SIC #3537

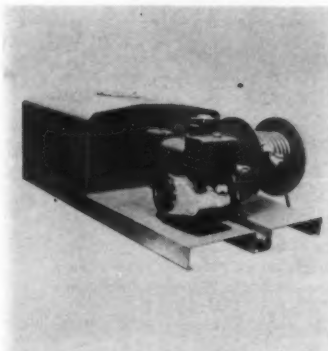


Transparent Tubing

Resists Corrosion

Transparent polyvinyl tubing resists corrosion from gases, acids, alkalis, petroleum products, and other active chemicals and materials. It comes in I.D. sizes of 5/32 in. to 2 in. and is available in food grade formulations. It comes also with nylon braiding or steel wire reinforcement.

Price: \$10.98/100 ft. to \$219/100 ft.
Delivery: immediate.
Newage Industries, Inc., 222 York Rd.,
Jenkintown, Pa. (PW, 8/7/61) SIC #3079



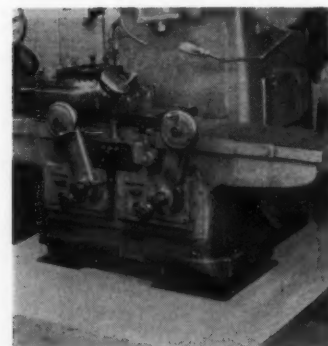
Fire-Fighting Unit

Has 200-Gal. Capacity

Self-contained fire-fighting unit has a 200-gal. capacity and can be loaded quickly on a small truck for use in relatively inaccessible areas. It can project an 85-ft. stream at 100 psi. for 11 min. An auxiliary suction port will draw water for other sources to supply over 100 gpm. at 75-lb. pressure to two 1 1/2-in. hoses from auxiliary discharge lines. Equipment includes a 50-ft. hose with spray-fog nozzle.

Price: \$795. **Delivery:** 2 to 3 wk.

Fire Equipment, Inc., P. O.
Box 107, Palmyra, N. J. (PW,
8/7/61) SIC #5082



Heavy Equipment Grout

Cuts Setting Time

Grout for pouring a foundation base for heavy equipment is a self-leveling material that is ready to receive equipment in 4 hr. to 6 hr. The material will not shrink or crumble under compression and has high impact and abrasion resistance. It requires no heating or troweling, is self-bonding, and has expansion controlling, water-erosion and vibration resistant properties.

Price: 20¢ to 25¢/lb. (depending on quantity). **Delivery:** immediate.

Monroe Co., Inc., 10723 Quebec Ave., Cleveland 6, Ohio.
(PW, 8/7/61) SIC #3999



YOUR ORDER ~~MOVES~~ AT CRANE

ANY STOCK VALVE ORDER—ANY SIZE—SHIPPED WITHIN 24 TO 72 HOURS!

Crane has put electronics to work on your valve orders. Crane's new high-speed order system links distributing and manufacturing centers with special telephone circuits, then uses punched tape and electronic computers to move any order for stock valves—however large—almost before the ink has dried!

Crane's newly-installed 100-million-digit-capacity computer also makes sure regular valves are in stock when you need them. It keeps track of more

than 10,000 varieties of finished and semi-finished valves—38,000 different assemblies, sub-assemblies and raw materials. The punched tape that speeds the processing of your shipment within 24-72 hours also checks inventories automatically, and writes production orders to keep stock levels ready to meet any demand.

No one likes rush orders, but when they become necessary, you can count on Crane for even faster service.

For fast delivery of Crane precision-built valves, see your Crane Distributor or write Crane Co., Industrial Products Group, 4100 S. Kedzie Avenue, Chicago 32, Ill.

at the
heart
of home and
industry

CRANE

valves
piping • electronic controls
plumbing • heating
air conditioning

Purchasing Week Definition

Annealing Techniques (Part II)

Intermediate Annealing — The annealing of wrought iron metals during manufacture at one or more stages before final treatment.

Malleablizing — Annealing white cast iron so that some or all of the combined carbon is transformed to graphite or, in some instances, so that part of the carbon is completely removed.

Process Annealing — Heating a sheet or wire ferrous alloy in order to soften the metal for further cold-working.

Quench Annealing — Annealing an austenitic ferrous alloy by solution heat treatment. During solution heat

treatment, an alloy is heated to a suitable temperature and held there until one or more constituents enter into solid solution—a crystalline state with a homogeneous content of two or more chemical species. The alloy then is cooled rapidly enough to hold the constituents in solution.

Recrystallization Annealing — Annealing to produce a new grain structure in cold-worked steel without causing a phase change.

Spheroidizing — A method of heating and cooling a material to produce a spheroidal or globular form of carbide in steel. (PW, 8/7/61)

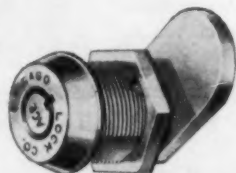


THE KEY TO YOUR SECURITY DESIGN PROBLEM

If the equipment or product you are designing should have a lock, it should have the unique Chicago ACE® Lock. The above key fits the circular keyway of an ACE lock and is as symbolic of maximum security as it is different from conventional keys.

Because of the intricate tumbler combinations possible in a Chicago ACE Lock, you can specify your own registered, unduplicated key cut with duplicate keys available from the factory only.

To learn more about the advantages of ACE and the complete line of Chicago Locks, write for a copy of our catalog and bulletins.



CHICAGO LOCK CO.
2056 North Racine Avenue • Chicago 14, Illinois

Diamond Disks Cut Expansion Joints In Concrete Runways

Chantilly, Va. — Diamond wheels have been used to cut 3-in. deep expansion joints in concrete runways under construction at Dulles International Airport near here. The 1/4-in. wide channels are designed to overcome cracking due to moisture and heat extremes.

Pavement Specialists Industries, Kansas City, Mo., handled the cutting of the 88 miles of joints in two 11,500-ft runways and adjoining taxi strips. Completion of the airport, which will be twice the size of New York's International Airport, is scheduled for next year.

Depths of the 1/4-in. wide joints vary according to the total depth of concrete. At Dulles, for instance, concrete 15 in. deep was cut 3-in. deep; 8- and 9-in. sections, 2-in. deep.

The standard metal-bond wheels, with natural diamonds supplied by Engelhard Hanovia, Inc., run at about 6 fpm. In all, 150 were used. The uniformity



DIAMOND WHEELS cutting 1/4-in. wide contraction joints sawed along 88 miles of concrete runways at speeds of about 6 fpm.

of the joint depth and the 1/4-in. width were particularly necessary since too wide a joint could hold small rocks which might be sucked up in jet intakes. They also permitted close adherence to surface tolerances and eliminated the need for excessive hand finishing of the finished cut.

Although joints cost only about 2% of the total construction dollar, improperly made contraction joints, cause about 90% of pavement failures, airport engineers said. Proper time for making the joint is determined by the weather and its affect on the cure and shrinkage time of the concrete once it is poured. Joints have to be sawed before cement develops a tensile strength sufficient to cause random cracking. At Dulles International this involved around-the-clock work to keep up with the strength gaining rate of the concrete.

Atlas Buys Alloy Firm

Toronto—Alloy Metal Sales, Ltd., formerly a wholly owned subsidiary of International Nickel Co. of Canada, has been purchased by Atlas Steels, Ltd., Welland, Ont.

Alloy Metal, which has warehouses in Toronto, Montreal and Winnipeg, specializes in distribution of alloys with high temperatures and corrosion resistance.

Hewlett-Packard, Sanborn Merger Approved

Palo Alto, Calif.—Merger of Hewlett-Packard Co. and Sanborn Co., Waltham, Mass., was approved by stockholders of both firms at special meetings here and in Waltham. The merger is effective Aug. 31.

Hewlett-Packard manufactures precision electronic measuring instruments. Sanborn, which makes varied equipment for medical and industrial use, will continue to operate under its present name.



WE INVITE you to subscribe, without cost or obligation, to our new bulletin, the *Arabol Adhesive Advisor*. The fast-reading bulletin, to be published on a regular basis, will offer adhesive users many valuable time-saving and money-saving tips, culled from Arabol's 76 years of adhesive pioneering experience.

Upon receipt of your subscription request, we will promptly mail the first issue to you. Mail request on your letterhead to: Dept. PW—ARABOL MFG. CO.—110 E. 42nd Street, New York 17, New York.



LTL

SERVICE

DIRECT to

4 of the 6

largest industrial markets in the **EAST**

DIRECT to

7 of the 9

largest industrial markets in the **SOUTH**

DIRECT to

3 of the 7

largest industrial markets in the **MIDWEST**



Profitable Reading for P.A.'s

New Books

Marketing Management by Kenneth R. Davis. Published by Ronald Press Co., 15 East 26th St., New York 10, N. Y., 824 pages. Price: \$8.00.

This case-problem textbook provides a thorough introduction to the decision-making aspects of marketing. Each case—there are 70 in all—illustrates a typical marketing problem along with a possible solution to it.

Part I deals exclusively with marketing management and decision making, discussing topics such as: gathering data for decision making, nature and scope of marketing management, etc. Other sections cover the tools of analysis—demand analysis, and consumer behavior, research methods and cost analysis, maximizing profits, etc., as well as developing effective advertising, organizing for product development, pricing policy and government legislation, and more.

Simulation and Gaming: A Symposium. AMA Report Number 55. Published by American Management Assn., 1515 Broadway, New York 36, N. Y., 135 pages. Price: \$3.75 (AMA members—\$2.50).

This new AMA report on simulation and business gaming is directed at the non-specialist executive who wants to know what this new management technique is all about.

The report, written by leading designers and users of management gaming, discusses the "how-to" of games, the value of stimulation as a business teaching tool, its use in logistics policy research, and its relation to human behavior. Basic techniques of model building are evaluated and the many types of games now in use are described.

The reaction of the players in business games is described as "almost uniformly enthusiastic, if not glowing." One chapter concludes, "gaming's potential as a teaching technique has scarcely been touched."

Federal Tax Reform, by Dan Throop Smith. Published by McGraw-Hill Publishing Co., 330 W. 42nd Street, New York 36, N. Y., 328 pages. Price \$7.00.

"Individual tax reform is the most important of six self-financing reform packages which can be adopted regardless of the budget position," according to author Smith. Professor Smith systematically analyzes the entire Federal tax structure and tells how to make it fairer, simpler, more certain, and less restrictive in terms of economic growth and development.

Depreciation allowances are pinpointed as the second most important area of tax reform. Smith urges a "general authorization for faster depreciation." The author would simplify the entire depreciation setup by establishing as few as 15 or 20 depreciation categories.

Some typical suggestions the book puts forth: Tighten the definition of capital gains, lengthen the minimum holding period to one year, tax all corporate income at the same rate, with no differential allowed for capital gains.

From the Manufacturers

Pipe Fittings

Describes company's complete line of stainless steel pipe fittings, including: screwed fittings, flanges, welding fittings, hose couplings, etc., for service at from 150 to 6,000 psi. (36 pages). *Valve and Fitting Div., Cooper Alloy Corp., Bloy St. and Ramsey Ave., Hillside, N. J.*

Metalworking Machinery

Gives information on company's line of metalworking and material handling equipment. Includes data on press brakes, punches, bending rolls, drill presses, storage racks, etc. Bulletin 90-6 (12 pages). *Joseph T. Ryerson & Son, Inc., Box 8000-A, Chicago 80, Ill.*

Flexible Metal Hose

Provides data on flexible metal hose, including: selection, instal-

lation, how to determine correct hose length, fittings attachment to use with each hose style, etc. Catalog 600 (32 pages). *Atlantic Metal Hose Co., 308 Dyckman St., New York 34, N. Y.*

Wire-Wound Resistors

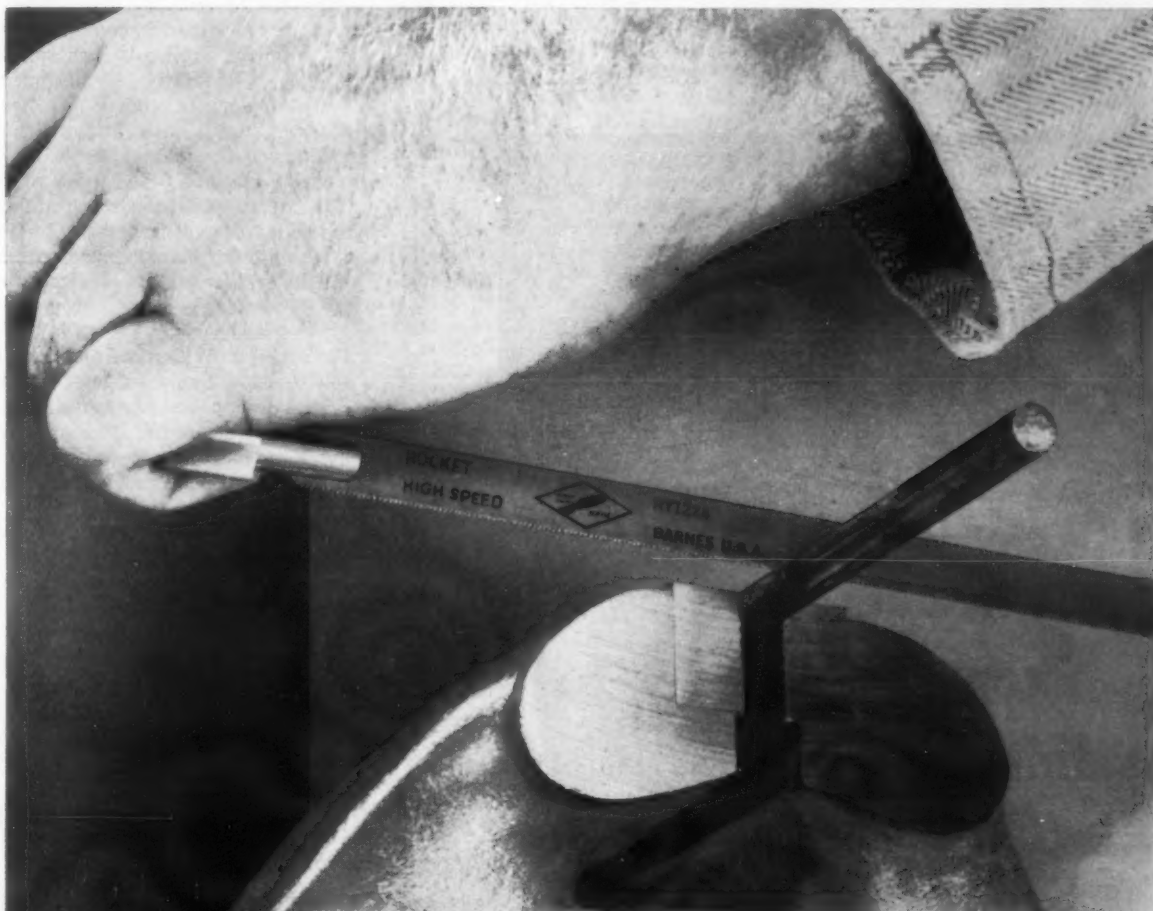
Covers complete line of precision wire-wound resistors. Includes technical data, performance curves, military specifications, photographs, etc. (20 pages). *Daven Co., Livingston, N. J.*

Industrial Alcohols

Discusses properties and uses of 21 industrial alcohols. Chemical specialties section contains typical formulations. (80 pages). *Union Carbide Chemicals Co., 270 Park Ave., New York City.*

Abrasive Belts

Wall chart (13 in. x 17 in.) describes correct abrasive belt and contact wheel for job. Includes: belt speed, lubricant, and contact wheel type for grinding, finishing, polishing. *Coated Abrasives Div., Armour Alliance Industries, 16-123 Armour St., Alliance, Ohio.*



BARNES HIGH SPEED HAND BLADES cut fast and clean!

ROCKET

HIGH SPEED
Flexible

A high quality blade for general shop use where safety is important.

SERVICE

HIGH SPEED

All-Hard Molybdenum

An ideal blade for machine shop use. Preferred by the experienced tool maker.

RED ARROW

HIGH SPEED

All-Hard Tungsten

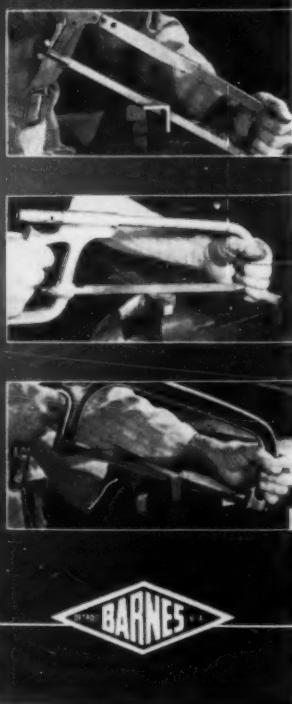
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Purchasing Week's Chicago Perspective



**BUREAU CHIEF
STEWART W. RAMSEY**

Focuses a Purchasing Spotlight

On Steel-Making in the Chicago Area

The truth of the old saying "I'd rather own a market than a mill" is underscored once again by the strong showing made by the Chicago steel industry during the recent recession.

The Chicago district's steel mills almost always operate at a higher rate than the rest of the country, because Chicago has always been known as a "steel negative" area—that is, an area that consumes more steel than it produces.

That this can be an advantage even during recessionary periods is shown by the fact, that although mills here operated at reduced schedules, they never fell quite so far as mills in some of the other big districts. And, what's more, they recovered faster than most. In one typical week in July, for instance, the Chicago district operated at 115 index points, compared with 103.3 for the nation.

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This probably meant, according to one local steel authority, that Chicago mills during that week operated at about 76% of capacity, compared with about 68% for the nation. There's no way of knowing for sure, since the industry doesn't report production as a percent of capacity any more.

Often, there has been a 3% to 5% difference between the Chicago operating rate and that of the rest of the country. In 1960, for example, the Chicago district rate was 71%, compared with 67.5% for the country on an average.

No one knows for sure what the ratio of production to consumption is here, but a rough rule-of-thumb formula has been that, going all out, the Chicago "area" can produce about one-fourth of the nation's steel, and consume about one-third.

Complicating this "steel negative" situation is the fact that Chicago mills export substantial tonnage to cities such as Detroit and St. Louis, while Eastern mills ship considerable tonnage to Chicago, particularly when other markets are slow.

But to compete effectively in the Chicago market, these Eastern mills usually must absorb freight costs—which can add up to as much as \$15/ton, according to one estimate.

A good example of why the steel industry in the Chicago area usually paces the rest of the country is provided by Inland Steel Co.

Inland is not the biggest steel producer in Chicago, but has combined the inherent strengths of the Chicago market with its own strong management to consistently outperform the rest of the industry. Ranked eighth in industry capacity, it is usually fifth in terms of production.

In the first quarter of 1961, a poor one for the industry, Inland produced 68% of last reported capacity, compared with an industry average of 54%. About 65% of its shipments are made within a 100-mile radius of Chicago, and 90% within 400 miles. With most of its customers close at hand, cost of freight absorption is kept down. And its product mix, heavily weighted toward flat-rolled sheet, strip, and tinplate, plus plate and structurals, serves a diversified list of customers, including warehouses and fabricating subsidiaries, construction, automotive, appliance, farm machinery and many other industries.

This means that Inland's operating rate usually isn't pulled down drastically by a sudden dropoff in demand by one industry, and it often bounces back from a recession faster than other companies.

But its market and its product mix aren't Inland's only strengths. The company is constantly seeking to make its selling more effective, improve order processing and service, and "win the hearts" of purchasing agents in other ways.

For example: With more and more pressure being put on quick delivery, Inland is now speeding transmission of customer orders from its offices in Chicago's loop to central order processing at the mill in East Chicago by use of facsimile machines. After looking at the order from a commercial acceptance viewpoint, and writing delivery instruction on it, Inland transmits in three minutes the rush orders with a half dozen facsimile machines, saving up to 24 hours over the old mail delivery system.

Additional paper-handling is saved by processing the received order in one central location, rather than in several steps. The company is also paying more and more attention to individual orders. "There's no such thing as batch handling any more," says an Inland official.

Extension of the retail sales tax to construction materials was one of a series of moves made by Gov. Otto Kerner to strengthen the state's shaky financial condition.

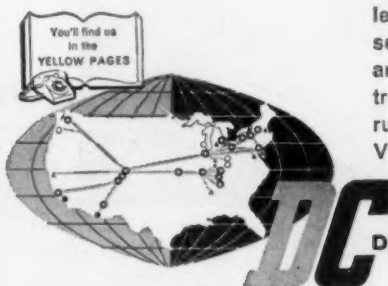
Another move, which will cause P.A.'s to dig a little deeper in their pockets when they visit Chicago, is a new 3% tax on hotel accommodations, effective Aug. 1.

The greater Chicago Hotel Assn. expects the new tax to add between \$5-million and \$6-million to the state treasury in the next two years. About two-thirds of this will come from taxes collected on rooms in Chicago.

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Surplus Dealers Seeking Obsolete Inventories

(Continued from page 1)

Also is eager to lure purchasing agents into surplus stores and warehouses in search for unexpected bargains.

These bargains include some novel products of the dealers' "imagineering" or "brain-storm" approach to utilization or material that others might regard as junk.

For example, old government parachutes are dissected into tarpaulins, shoelaces, and cargo tie-down straps; ammo cannisters become shoe-shine kits or moth-proof fur-storage boxes; and field-telephone wire is turned into clothesline.

Best bets for salvage are protective clothing and fabrics for protective covering, belts and cordage for tying, and adaptable machinery such as bomb-hoists and aircraft heating units.

Shedding an Image

The dealers are trying to shed their popular image as back-room purveyors of musty helmets and gas-masks to souvenir hunters. That side of the business thrives, as usual; but they're go-



NEW USES FOR OLD 'CHUTES: Dealers (l-r) Ben Katz, Jewel Yarn Co.; Edward Tarashinski; R. A. Sencer, pres., Institute of Surplus Dealers; and Ian Imbey, vice pres., examine surplus government parachute.

are confronted with the frequent need to dispose of goods which are no longer suitable but still useable. This material is too valuable to be sold as scrap or waste, and the government recognizes that surplus dealers perform an important function by purchasing it and converting it into marketable merchandise.

Much Suited for Export

Much of this government discarded equipment is perfectly tailored for sale to foreign nationals. The Institute expects that roughly 20% of the total surplus sales this year will go to export. Sale of military hardware to foreigners requires State Dept. approval, however. In addition there are many nonmilitary items—such as diesel engines, automotive parts, and clothing—which foreigners keenly want to purchase.

One of the most respected "imagineers" in the surplus business, Edward Tarashinski, last year's president of the Institute and president of Tarashinski Merchandise Co., Brooklyn, N. Y., says, "I've got 14 warehouses full of this garbage; everything from gas masks for horses to old insignia which I've sold to cereal makers as premiums for the kids. We're extremely ingenious people in this business." Tarashinski has just bought 11 blimps recently decommissioned by the U. S. Navy. He's going to cut them up and sell them as tarpaulins, crop-covers—and "you name it."

Underwater Telephones

Another enterprising dealer, David Gotlieb, of D & G Merchandising Corp., Brooklyn, N. Y., has fashioned 8,000 underwater telephones out of old bomber intercom units. The devices are waterproof, safe, and have already found enthusiastic acceptance by salvage divers, skin-divers, and the merely cu-

rious. They cost Gotlieb about \$30 apiece, and he's selling them for about \$60. But the original cost to the government, he estimates, was \$200.

Sencer is eager to lure industrial P.A.'s into surplus stores and warehouses to look for the unexpected bargain. The Institute hopes to draw buyers' interest to itself as a clearing house of information about the availability of goods among its members. He points out that few P. A.'s are aware that surplus stores often stock items not readily available through normal vendor sources, and that bargain prices are the rule.

P.A.'s interested in knowing what surplus dealers have for industrial use should contact: Fred D. Reider, executive director, Institute of Surplus Dealers, Manhattan Hotel, 700 8th Avenue, New York, N. Y.



TOOTING OWN HORN: Dealer Edward Tarashinski finds new markets for old carriage horn.

ing more for nonmilitary government surplus and for imported merchandise ranging from toy snakes to motorcycle crash-helmets.

A surplus dealer well known in the Philadelphia area, "Captain Joe" Feinberg, of Capt. Joe's Surplus Stores, Inc., and director of this year's show, is a leader in his industry's drive for new sources of supply. "We like to take risks," he says, "and we've become a real service to industry. We'll gladly contract to remove excess electronics hardware and seconds of all kinds."

Richard A. Sencer, president of the Institute, points out that the government now has some \$40-billion in excess property and commodities, which it markets by auction (both live and on closed circuit TV), sealed bids, spot bids, and—with the Pentagon's approval—negotiated sale bids.

Boon to Alert Dealers

Alert dealers can pick up this unused treasure in some 9,000 surplus outlets at from 5% to 60% of its original cost to the government, depending on the scarcity and serviceability of the individual item. The surplus dealers expect their sales to hit \$350-million this year.

"The surplus field has a bright future," says Sencer. "Not only the armed forces, but other government departments, as well,

Purchasing Week's

Purchasing Perspective

(Continued from page 1)

product out of the way and suggests simple ways to accomplish the basic functions involved, even if they don't seem practical.

The "create" step generates alternate ways to modify the blasting concepts to do the job at hand. At this stage, the analyst equates cost with function—finds out how much must be paid to get a higher tolerance, etc.

The "refine" step combines alternates with necessary functions and comes up with the lowest cost combination.

Value analysis is treated as a separate function that works in conjunction with other company departments. Miles tells the novice how to set up a VA department—and gives the more experienced company a raft of hints on how to improve operations. The entire book is crammed full of examples, many of which are sure to evoke a "why can't we do that in our company" response from the reader.

The purchasing-VA relationship comes in for special mention. "Close and extensive relationships must exist between purchasing and value analysis. Effective VA greatly improves the grade and degree of purchasing work, and efficient execution of certain purchasing activities improves . . . value analysis accomplishment." The VA specialist also gets these words of caution: "The value analysis will not do the buyer's job" and "The buyer must be kept advised."

Growing number of P.A.'s that are being called upon to speak at industry technical meetings are one measure of the increased importance that business is putting on the purchasing function. Engineers and manufacturing specialists want to know what types of materials and services purchasing wants.

The just released program for the Standards Engineers Society annual meeting next month in Chicago lists two purchasing men as speakers. R. M. Thomson, director of purchases for Automatic Transportation Co. will "take a look at the standards engineer," while R. Berry, deputy P.A. for the City of Chicago, will talk on "when does standardization cost money?" Purchasing men at other recent meetings have ranged over such diverse topics as plastics (National Plastics Exp.) and Packaging (AMA Packaging Show).

Exhibitors also get an added bonus from putting P.A.'s on the panel. The talks draw purchasing men to the forums.

Steel Warehouse Institutes New Pricing System

(Continued from page 1)

which combines total order discounts with item extras.

"Purchasing agents who have had to keep three or four different quantity extras in mind now have only one set of extras to work with," explained Lee Evans, vice president of marketing. A price sheet lists item extras on the basis of weight classifications rather than product. These vary with size of the total order.

Thus, a single item in the 500-999-lb. range would call for an extra of \$1.95. However, if ordered in conjunction with other items totaling 20,000 lb. or more, the extra could be down as low as 75¢.

The two variables—quantity of the item and quantity of the order—were based on the costs of warehouse handling of single items and delivery and office

processing costs of various sized orders, Evans said.

"We have found that it costs us no more to handle one product or product group than another. Thus, we can offer savings on orders in the higher quantity brackets which we naturally look upon more favorably," he added.

The Hawkrigge move took other warehouse officials by surprise. Small and specialty warehouse operators were concerned over the loss of business that might result if the plan were adopted by other firms with a wide range of products.

Large operators checked by PURCHASING WEEK indicated that they were in no hurry to follow. "This thing will take observation and study," said the sales manager of one large Hawkrigge competitor in New England. He pointed out that some combina-

tion pricing is already offered. For example, hot rolled and galvanized sheet are grouped together for a total order discount. "But a wider application would require a study of costs," he said.

Another warehouse official said, "the greater expense of handling cold finished bars over hot rolled would make us think twice about establishing such a system."

Hawkrigge, however, claims its combination pricing system is a "truer reflection of costs" of handling and delivery. And since "costs are not related to product class" it follows that "combining classes is basically sound," the company contended.

The Hawkrigge plan followed the move in which warehouses generally abandoned the item pricing system on hot rolled products which went into effect in May, 1959. Since the first of the year, the industry has returned to a quantity discount system which takes total size of an order, rather than the cost of handling separate items, into account. The move, started in Chicago last December, reached New England in May of this year. The Hawkrigge plan is aimed at widening this quantity discount system on hot rolled to a wider range of products, when ordered in combination.

The president of one of the largest steel warehouses, headquartered in the Midwest, said he expects the industry to go back to item pricing in time, "but this will not happen until conditions make it less of a buyer's market."

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Gasoline, all octanes, Gulf Coast, refiners, gal.....	.0025	....	strike threat
Gasoline, branded 91-octane, Mid-cont. refiners, gal....	.005	.1325	price restoration
Carded cotton yarns, 16S thru 24S, lb.....	.01	....	improved demand
Tin salts, potassium stannate, lb.....	.004	.848	metal up
Sodium stannate, lb.....	.004	.713	metal up
Tin crystals, anhyd. lb.....	.006	\$1.099	metal up
Copper refrigeration tubing, 4 coil sizes, Chase.....	11%	....	....
REDUCTIONS			
Green fir lumber, random length 2x4's, Northwest mills, 1000 bd. ft.....	\$3.00	\$61.00	demand lagging
Electric motors, 1-25 hp., Westinghouse.....	7 1/2% avge.	....	....
Galvanized steel sheets, all gages, stl. service centers, ton	\$8.00-\$12.00	....	competition

Long-Term Buying Advantages Sought by P.A.'s

(Continued from page 1)
contract buying, and feel that P.A.'s—despite protestations of their quality consciousness—are under pressure "from the top" to buy on price tag alone. As a result, they often misrepresent their true needs.

• Where the consumer is happy with contract buying, the distributor usually is, too. "Good faith," "fair pricing," and "mutual respect" are prerequisites to success.

• Only those consumers whose material needs are accurately predictable should venture into contracting agreements.

Many Like It

Contract buying appeared to be a bone of contention in every region, but P/W found quite a few companies that like it.

William Van Allen, purchasing executive at Hughes Aircraft, Los Angeles, says, "Contract buying is saving us 10% on MRO items and electrical line stock." Hughes is currently working up EDP programs to keep tab on material ordered on contract so they and the distributors can adjust instantaneously to changing demand patterns.

In Boston, Raytheon's Paul Wilson, director of purchasing, reports "substantial" savings from contract buying on stationery, expendable tools, maintenance supplies. Wilson says the main advantage is reduction of invoice paperwork.

Pratt & Whitney Aircraft, Hartford, Conn., a division of United Aircraft, also is going strongly for long-term purchasing. Marshall McGuire, P.A. for nonproduct materials, told P/W his company has placed over \$10-million on blanket and contract orders for jet fuels, lumber, shop supplies, maintenance supplies, and tooling. "We've abided by our agreements," he says, "and haven't played like gypsies to get frantic price adjustments. We want a good, fair price, delivery, and service. We've found that our vendors get better conceptions of their own inventories, through experience with us, and share in the economies we reap."

Wasted Money

Charles Skinner, director of purchasing at Laboratory for Electronics, Boston, says, "More money has been thrown away foolishly on MRO in the past than on anything else. We now can save an average of 10% by negotiating contracts. It's good for the distributors, too. More and more contractual MRO arrangements are being made by just about every electronics manufacturer, large and small."

Despite these reported gains from contract buying, controversy runs strong both among P.A.'s and distributors. One P.A., satisfied with the traditional piece-work bid method, scoffs. "Contract buying is a lazy man's way to buy." In direct contrast, another P.A. enthuses, "By agreeing to purchase for a period of time from certain suppliers, we save substantially in direct discounts and indirectly in employee time and paperwork."

The relationship between the buyer and his vendors apparently is the measure of success of contract buying. Many on both sides

indicate that there's no reason contracts can't be mutually beneficial, legitimate instruments if neither party misrepresents his intentions.

Miles Stray, past president of the National Industrial Distributors' Assn., and sales manager of Charles A. Templeton, Inc., a Waterbury, Conn., distributor, sums up the viewpoint of those suppliers who feel contract buying is just a glossy name for the age-old practice of thumbscrewing to get rock-bottom prices. "There's nothing new here; just a new cycle of price pressure," he says. "Contract buying can be just fancy chiseling. The customer knows he can't live without us. We're doing what we're paid to do—and we intend to get paid for it."

Blanket Buying Attractive

As for the other two long-term buying methods, blanket buying is looking more and more attractive to manufacturers, both for maintenance and production materials. The advantage to both P.A. and distributor is measured primarily in terms of lightened workload (Pratt & Whitney says it saves "a ton—literally—of paper a year" by using consolidated purchase orders), rather than by sheer price advantage.

And stockless purchasing, most distributors agree, is the coming thing in modern purchasing. They take sharp exception to contract buying in which price-shaving is the sole objective. But several like the kind of stockless purchasing arrangements Dow Chemical inaugurated last year (see P/W, Oct. 24, '60, p. 16). Says one, "It will result in sig-

nificant gains to the customer, and will make the present 5-10-15 percent price reductions of contract buying seem like small potatoes."

Increasingly, P.A.'s are coming to the same philosophy. With stockless purchasing, the distributor gives complete inventory and clerical service—for a price. Distributors feel that P.A.'s must be led to see the over-all savings stockless purchasing can bring his company, and not be blinded by the urge to get a bed-rock price.

Success Factors

The success of contract buying, most of the P.A.'s and distributor's P/W polled agree, depends on many factors. But the two most important are:

• **Stability of operations.** The best bet for contract buying is the manufacturer whose production needs are settled and predictable. The company with varying production loads, or a broad line of thinly supported products, should stay away from contracts.

• **Nature of contract.** P/W found that, in most cases, the contracts being used are not binding in any true legal sense. They're often called "purchasing agreements" or "gentlemen's agreements," and carry varying types of escalation and escape clauses. Sometimes, they're not even in writing. They differ also, according to the traditional way of doing business within any industry. In chemicals, for example, contracting is old hat; price changes generally are announced quarterly, and selling prices are not affected by long-term contracts because they're set by delivery package (tank car) size.

New IBM Typewriter Eliminates Conventional Carriage, Type Bars

(Continued from page 1)
fastest typist—it prints at 15½ characters a second (186 words/min.). A stroke storage system remembers one character while another is being typed and can handle two letters as close to-



SELECTRIC AT WORK: Sphere holds 88 characters in four rows.

gether as 20 milliseconds. Since the machine has no type bars, jamming of keys cannot occur.

The spherically shaped printing head is about 1½-in. in dia. and is mounted on a head-and-rocker assembly. The sphere holds 88 characters arranged in four rows. Every time the operator touches a key, a system of linkages and pulleys rotates and tilts the sphere until the proper character is in printing position.

The type head, which is said to last about two years, can be re-

moved and replaced with another in a few seconds. Six styles are presently available, priced at \$15 each.

Ribbon changing has been greatly simplified by use of a plastic cartridge containing a nylon ribbon. The typist can change cartridges in seconds without touching the ribbon. Eight colors are available at \$2.85 each.

Will Edge Standards

IBM expects the Selectric to take over a major share of the company's typewriter sales, but will continue to make its standard model electric to meet requirements for options not presently available on the Selectric, such as carbon ribbon, special type fonts, and extra-long carriages.

The model 721, at \$345, is \$50 less than the cheapest typewriter in the IBM line, a pricing move that most industry observers think was prompted by increased competition from "economy" priced electrics.

Shipments of standard electrics were stopped by IBM three weeks ago. All purchasers who have typewriters on order will have the choice of getting the new model and a refund if they desire. An exchange schedule also has been set up to handle recently delivered machines. It ranges from full credit for still-crated typewriters to certain percentage credits for machines in service short periods.

Late News in Brief

Galvanized Steel Prices Cut 4% to 7%

Chicago—Warehouse prices on galvanized steel sheet were cut \$8 to \$12/ton, or 4% to 7%, here and in Milwaukee. Central Steel & Wire Co. initiated the reductions, followed by Joseph T. Ryerson & Son. Galvanized prices at Pittsburgh warehouses were not affected, but warehouse officials said if the cuts spread to Cleveland, this would force reductions in Pittsburgh.

Goodrich Cuts Resin Tags

Cleveland—B. F. Goodrich Chemical Co. cut prices on its general purpose Estane polyurethane resins from \$1.85 to \$1.65/lb. on orders above 5,000 lb. Primary use of the synthetic thermoplastic is in shoe heels, and wire and cable jacketing.

Phillippe Named GE President

New York—General Electric Co. named Gerald L. Phillippe, formerly comptroller and financial officer, as its new president. Ralph J. Cordiner remains board chairman and chief executive officer. Cordiner has been handling the duties of president since last February, when Robert Paxton retired because of ill health.

13 Damage Suits Filed

Philadelphia—Philadelphia Electric Co. and a subsidiary, Conowingo Power Co., Elkton, Md., filed 13 civil damage suits against electric equipment manufacturers convicted of price fixing.

UAW Poses Legal Threat

Detroit—United Auto Workers union threatened legal action to force General Motors to open its books on prices and profits. The union said it might file a complaint with the National Labor Relations Board over GM's rejection of its demand for financial data in labor negotiations on contracts which expire Aug. 31.

Eyeglass Makers Indicted

Washington—Federal Grand Jury in Milwaukee indicted American Optical Co., Southbridge, Mass., and Bausch & Lomb, Inc., Rochester, N. Y., the nation's two largest eyeglass manufacturers, on charges of conspiring to fix prices and force competitors out of business in the production of ophthalmic lenses. Industrial glass products were not involved.

GE Receiving Tube Department Adds Distribution to Materials Management

(Continued from page 1)

can will be responsible for all purchasing, production, scheduling, quality control, inventory control, warehousing, and distribution of receiving tubes, GE said. This puts him in charge of the distributor and original equipment tube warehouse facilities in Chicago, Los Angeles, Seattle, and Clifton, N.J.; the department's precision parts plant in Springfield, N.J.; and the headquarters plant and warehouse in Owensboro.

Under the new GE arrangement, purchasing has been elevated to the departmental group from its former plant level status. The other functions—production scheduling, inventory control,

warehousing, and distribution—all previously had come under the department-level marketing section.

The unique feature of the GE scheme is the inclusion of physical distribution in a materials management outfit. This move makes sense in the intensely competitive tube industry, in which customer service, high obsolescence, fast turnover rates, and airtight inventory control are crucial. By putting one man in command of the operation, GE, in effect, has shortened the pipeline to its customers while tightening its control of assets tied up in inventory.

In announcing the new section, I. D. Daniels, general manager of the Receiving Tube Dept., said, "It will bring under centralized control many logistic functions and services associated with materials and products now performed elsewhere in the department. The greatly increased variety and complexity of products and services required by our customers has necessitated the consolidation of these activities in order to serve customers most effectively."

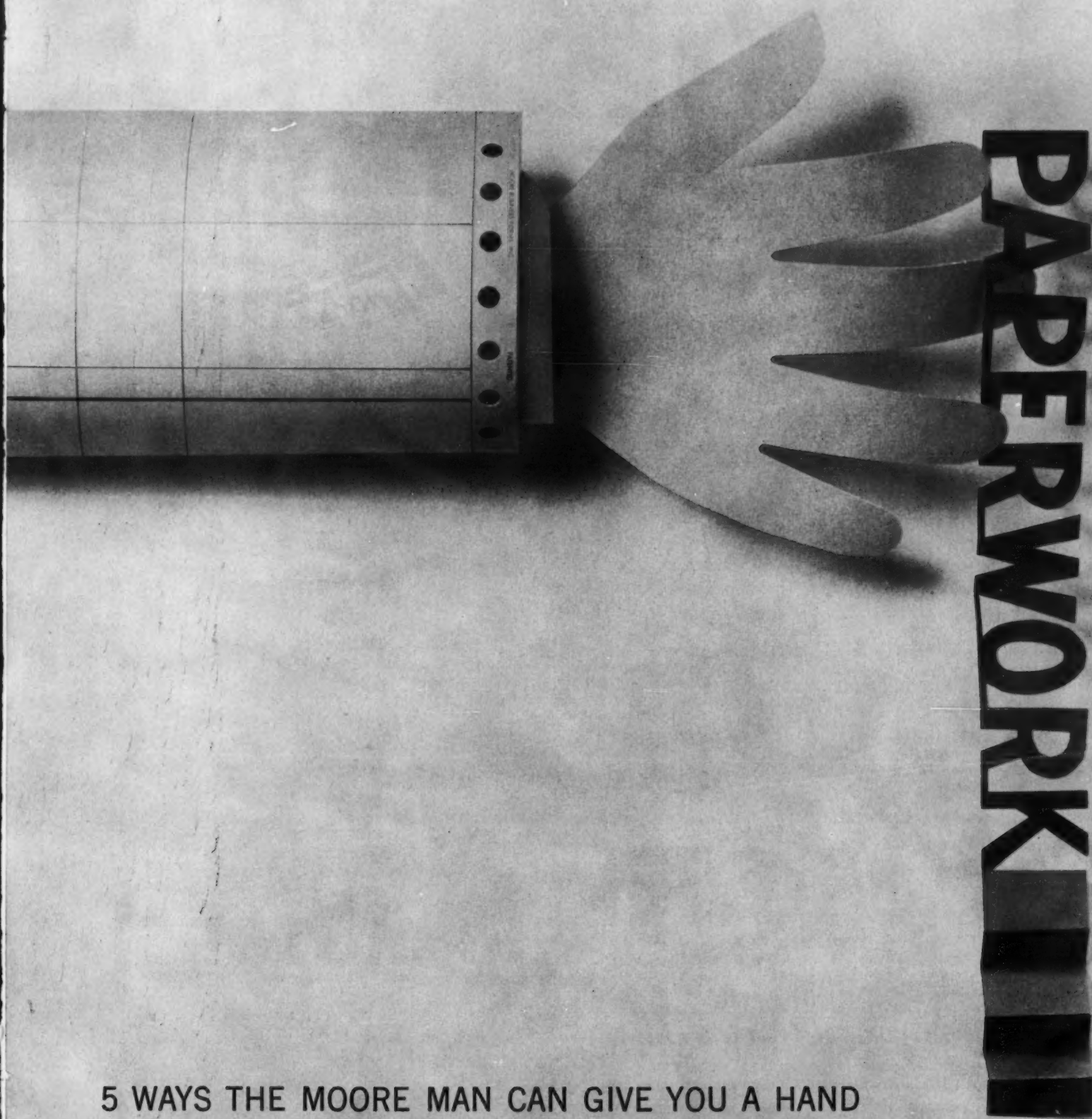
Incoming Procurement and Distribution Manager Duncan adds: "Grouping of purchasing and physical distribution with the other functions of this new section is logical for they are all related to customer service. In electronic components high quality is crucial, and that means procurement of high quality materials to go into the end product is as much a part of customer service as distribution."

Industrial Construction Orders Dip in New Index

New York—New contracts for industrial construction fell 13% in June, from the preceding month and 28% from year-ago levels, according to the latest McGraw-Hill New Order Index. Nonelectrical machinery orders, however, registered a monthly gain of 2%, led by a 12% increase in new business for metal-working machinery.

Other nonelectrical machinery new order gains included: general and special purpose industrial machinery, up 11%; engines and turbines, up 5%; and office equipment, up 2%.

On the down side new orders were off 6% for pumps and compressors and 4% for construction and mining machinery.



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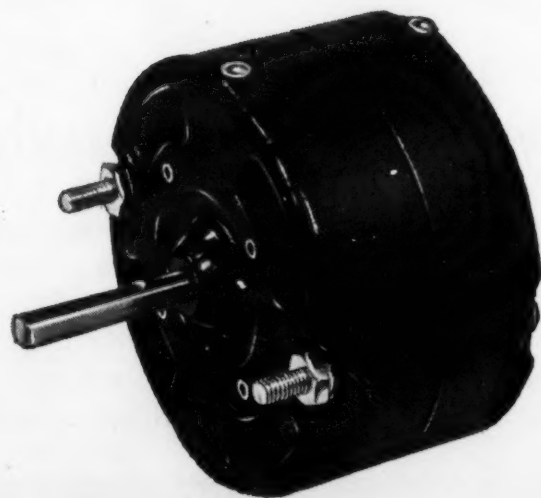


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